EXHIBIT 46

Cobalt
International Energy

NYSE: CIE | www.cobaltintl.com

Exploration Led Long Term Value Delivery

December 2013 Investor Presentation

Forward Looking Statements

Neither the United States Securities and Exchange Commission nor any other state securities regulator nor any securities regulatory authority elsewhere has reviewed or made any determination as to the truthfulness or completeness of the disclosure in this document. Any representation to the contrary is an offense.

Recipients of this summary are not to construe the contents of this summary as legal, tax or investment advice and recipients should consult their own advisors in this regard.

Certain statements, estimates and financial information contained in this summary ("Estimates") constitute forward-looking statements or information. Such forward-looking statements or information involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from the Estimates or results implied or expressed in such forward-looking statements. While presented with numerical specificity, the Estimates are based (1) on certain assumptions that are inherently subject to significant business, economic, regulatory, environmental, seasonal, competitive uncertainties, contingencies and risks including, without limitation, ability to obtain debt and equity financings, capital costs, construction costs, well production performance, operating costs, commodity pricing, differentials, royalty structures, field upgrading technology, and other known and unknown risks, all of which are difficult to predict and many of which are beyond Cobalt's control, and (2) upon assumptions with respect to future business decisions that are subject to change.

There can be no assurance that the Estimates or the underlying assumptions will be realized and that actual results of operations or future events will not be materially different from the Estimates. Under no circumstances should the inclusion of the Estimates be regarded as a representation, undertaking, warranty or prediction by Cobalt, or any other person with respect to the accuracy thereof or the accuracy of the underlying assumptions, or that Cobalt will achieve or is likely to achieve any particular results. The Estimates are made as of the date hereof and Cobalt disclaims any intent or obligation to update publicly or to revise any of the Estimates, whether as a result of new information, future events or otherwise. Recipients are cautioned that forward-looking statements or information are not guarantees of future performance and, accordingly, recipients are expressly cautioned not to put undue reliance on forward-looking statements or information due to the inherent uncertainty therein.

Founding Cobalt Vision Based on Exploration Led Value Delivery

2005 → **Today**

Solid Foundation: Unique Deepwater Exploration Portfolio, Technology and Skills

Private equity capital

World class:
- Expertise and capability
- Data and technology
- Oil-focused exploration strategy

Early access to best emerging exploration plays

Pre-eminent industry partnerships

Proven Success: Selective Developer of World-Scale Discoveries

IPO and access to public capital

7 material discoveries prove three new emerging basins

Deep follow-on prospect Inventory

Operating control and pace

Select non-operated opportunities

Selective developer of discovered barrels

Continual Growth: A Leading Exploration and Production Company

Cash flow from operations provides multiple capital alternatives

Exploration led portfolio renewal

Repeatable and scalable value creation

Dominant Positions in Proven Exploration Regions

Deepwater West Africa

- 4 discoveries : Lontra, Cameia, Mavinga, Diaman
- Pre-salt Play major new trend; Cobalt discoveries prove regional geology
- ~1,360,000 net acres covering 3 Angola blocks
- ~467,000 net acres covering 1 Gabon block
- 3 operated Angola blocks with 40% working interest; 1 Gabon block with 21.25% working interest

Deepwater Gulf of Mexico

- 3 discoveries: North Platte, Shenandoah, Heidelberg
- Inboard Lower Tertiary Play major new trend; Cobalt discoveries prove regional geology
- ~695,000 net acres covering ~250 blocks
- ~80% operated blocks with average 50% working interest

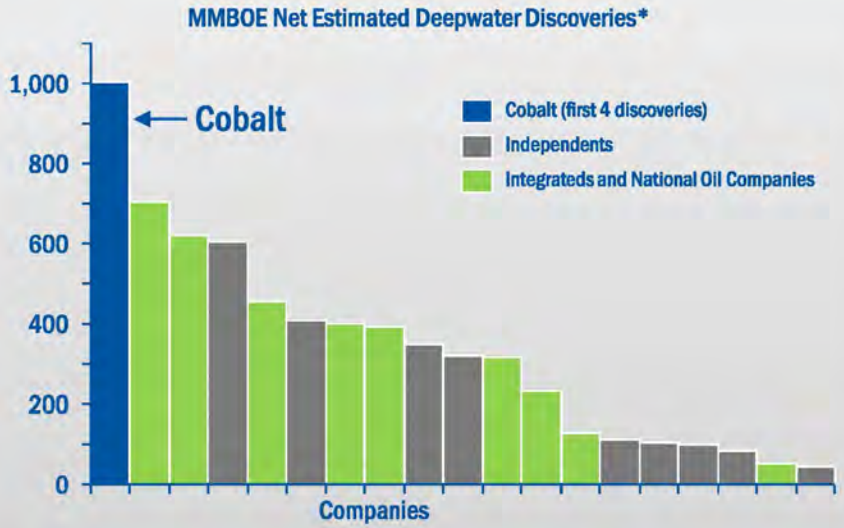
Cobalt is realizing unique competitive benefits by being the early-mover

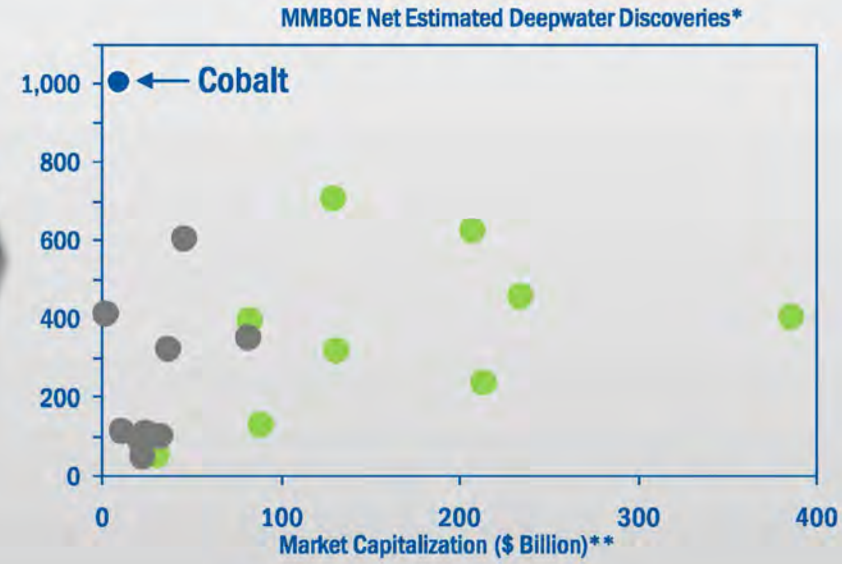
2013: A Transformative Year for Cobalt

Shenandoah Appraisal Success	→ Confirms significant discovery
North Platte Discovery	→ Very large discovery with high Cobalt working interest
Rowan Reliance Rig Contract	→ Provides superior long term GOM drilling capability
Heidelberg Project Sanction	→ First oil expected 2016
Diaman Discovery	→ Confirms Gabon deepwater Pre-salt potential
Cameia Development	→ Project moving to sanction; first oil expected 2017
Lontra Discovery	→ Significant oil, condensate and gas Pre-salt discovery
Mavinga Discovery	→ Confirms B21 Pre-salt trend; expected tie-back to Cameia
Expanded Shareholder Base	→ Over 70% public ownership

Exceptional Track Record of Success Delivers Shareholder Value

Deepwater Discoveries Provide Unique Shareholder Leverage





World Class Operations and Partners

Successfully drilled some of the most challenging deepwater wells; 7 material discoveries to date

Heidelberg development sanctioned; Cameia, Shenandoah, and North Platte next in line

Partnerships with leading global deepwater operators

*WoodMac Estimated Net Resources from Discoveries in >1000 M of water spud after 2007 in Deepwater West Africa (Angola, Congo, Equatorial Guinea, Gabon), and Deepwater US GOM (3Q 2013 WoodMac Pathfinder); Cobalt data only contemplates first four discoveries (Heidelberg, Shenandoah, Cameia, North Platte).
**CIE Returns and Peer Market Cap as of October 26, 2013 for CIE, BP, RDS, CVX, XOM, ENI, TOT, STO, CEO, REP, APC, OPHR, COP, MAERSK, MUR, MRO, APA, NBL, DVN

Cobalt's Exploration Led Strategy has Opened Three New Basins

		GOM Inboard Lower Tertiary	Angola Pre-Salt	Gabon Pre-Salt	New Ventures
GEOLOGIC SCORECARD	Oil-focused 200+ MMBOE prospects Concentrated basin focus on "like" play concepts Discoveries prove geologic model Deep inventory of follow-on opportunities	✓	✓	✓	✓
FINANCIAL SCORECARD	Low entry cost for dominant basin position Material working interests in discoveries Strong balance sheet Multiple monetization options	✓	✓	✓	✓
OPERATIONAL SCORECARD	Utilization of the latest technology Investment grade partnerships Uncompromising HSSE priority Organization focused on selected core competencies	✓	✓	✓	✓

Selective Development Provides Roadmap to First Oil

Control the pace and approach of development

Maximize commercial and economic flexibility

Standardized repeatable design

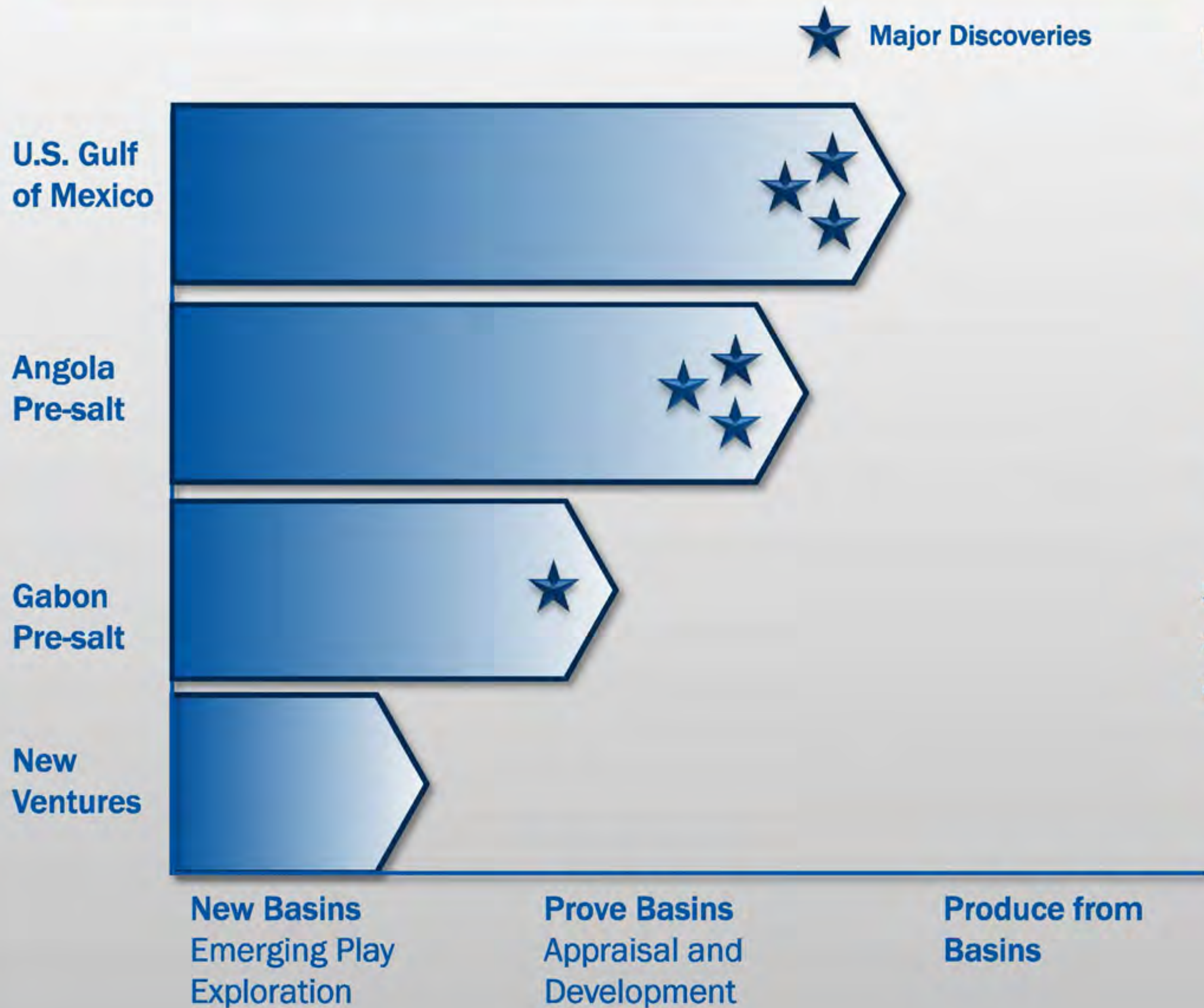
Use readily available technology

Explore monetization alternatives:

- High-grade assets
- Explore divestment opportunities
- Partnering
- Project specific financing; debt possibilities

	2014	2015	2016	2017	2018+
Heidelberg	Development		First Oil		
Cameia	Development			First Oil	
Shenandoah	Appraisal & Development			First Oil	
North Platte	Appraisal & Development				
Diaman Lontra Mavinga	Appraisal & Development				

Portfolio Renewal Based on Proven Exploration Strategy



New Ventures Strategy

- Focus on new deepwater oil provinces
- Early entry into areas with potential for repeatable material prospects
- High initial working interest and operatorship where possible
- Deploy cutting edge imaging and drilling technology

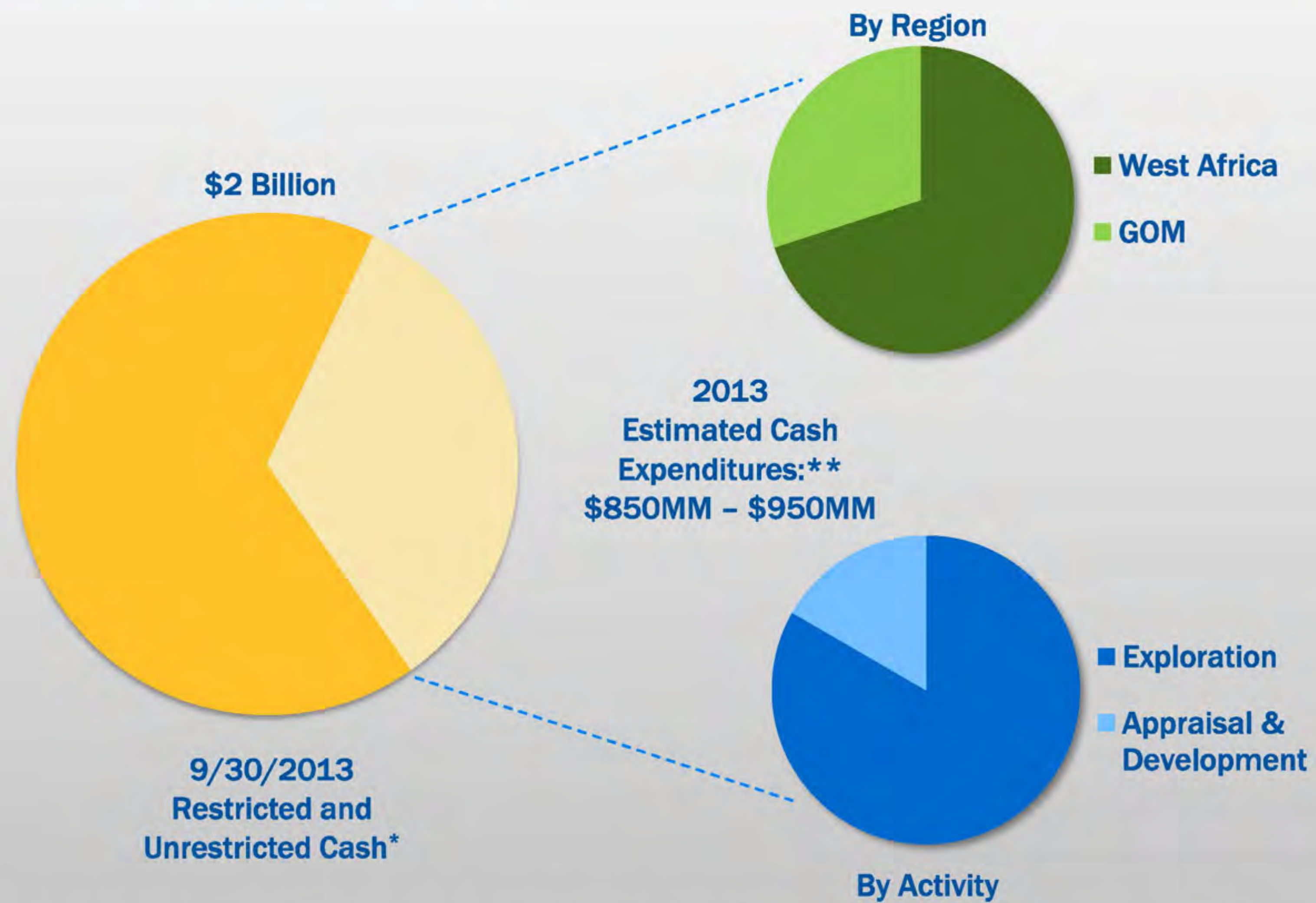
Strategy proven with basin and play opening exploration in:

- GOM Inboard Lower Tertiary
- Angola Pre-salt
- Gabon Pre-salt

Robust Near Term Exploration and Development Activity Heading into 2014

Aegean	→ September 2013 spud; Inboard Lower Tertiary objective
Shenandoah	→ Operator plans further appraisal activity first half 2014
North Platte	→ Well permitting and processing of new 3D seismic
Anchor (Racer), Rum Ramsey, Goodfellow	→ Partner operated GOM exploration in 2014
Bicuar #1A	→ Spud October 2013; large Pre-salt structure
Orca #1 (formerly Baleia)	→ Spud December 2013; Pre-salt structure with 1996 oil discovery
Lontra West	→ Potential 2014 exploration well
Golfinho	→ "Cameia" look-alike; potential 2014 exploration well
Gabon	→ Results of License Round, Diaba block seismic/drilling

The Financial Strength to Deliver



* Unrestricted cash includes cash, cash equivalents, short-term investments and long-term investments. Restricted cash includes Ensco Escrow and Cash Collateralized Angola LOCs
** Capital and Operating expenditures plus Angola Block 20 contractual obligations

Cobalt: Exploration Led Long Term Value Delivery

Performance continues to validate our strategy

7 material discoveries moving forward

Selective developer of discovered barrels

Numerous future exploration catalysts

Deep inventory of follow-on opportunities

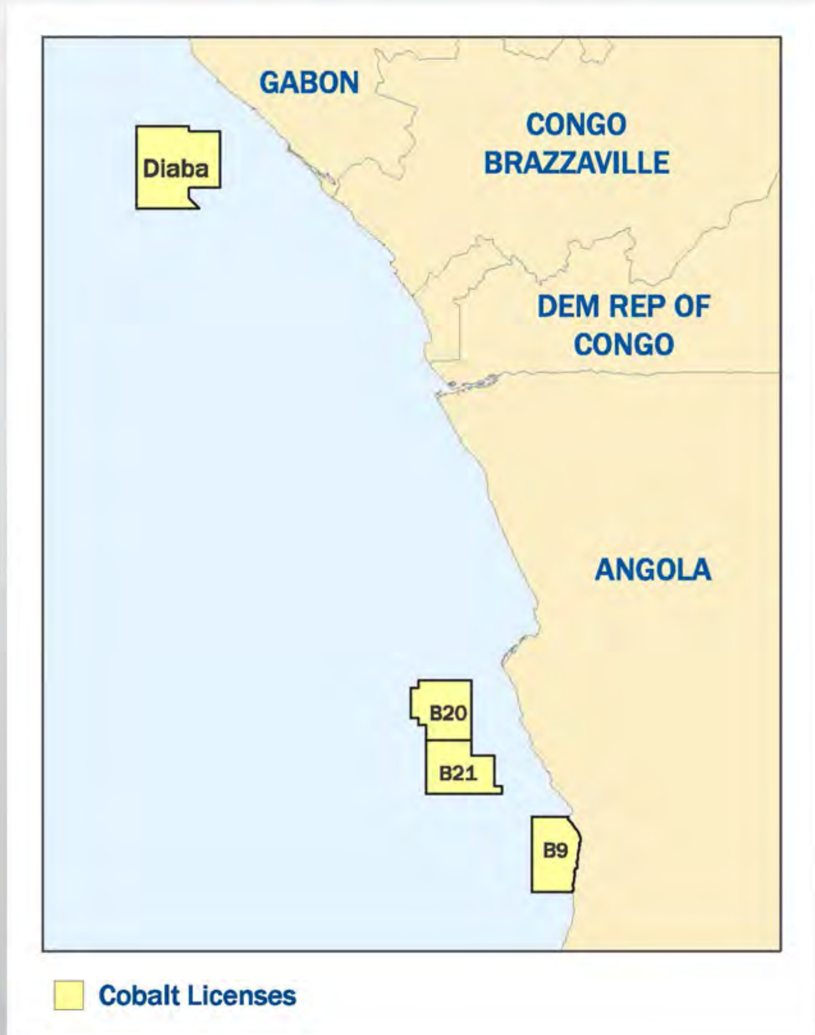
Identifying renewal opportunities in existing and new plays/basins

Expanded shareholder base

Balance sheet in place to deliver

Prospect and Project Summary

Cobalt: Leading West Africa Pre-salt Exploration and Development



"First mover" in proving and developing Pre-salt play potential in the deepwater offshore West Africa (Angola and Gabon)

Cameia, Lontra, Mavinga and Diaman Pre-salt discoveries offshore Angola and Gabon

Large acreage position; ~1.8 mm net acres

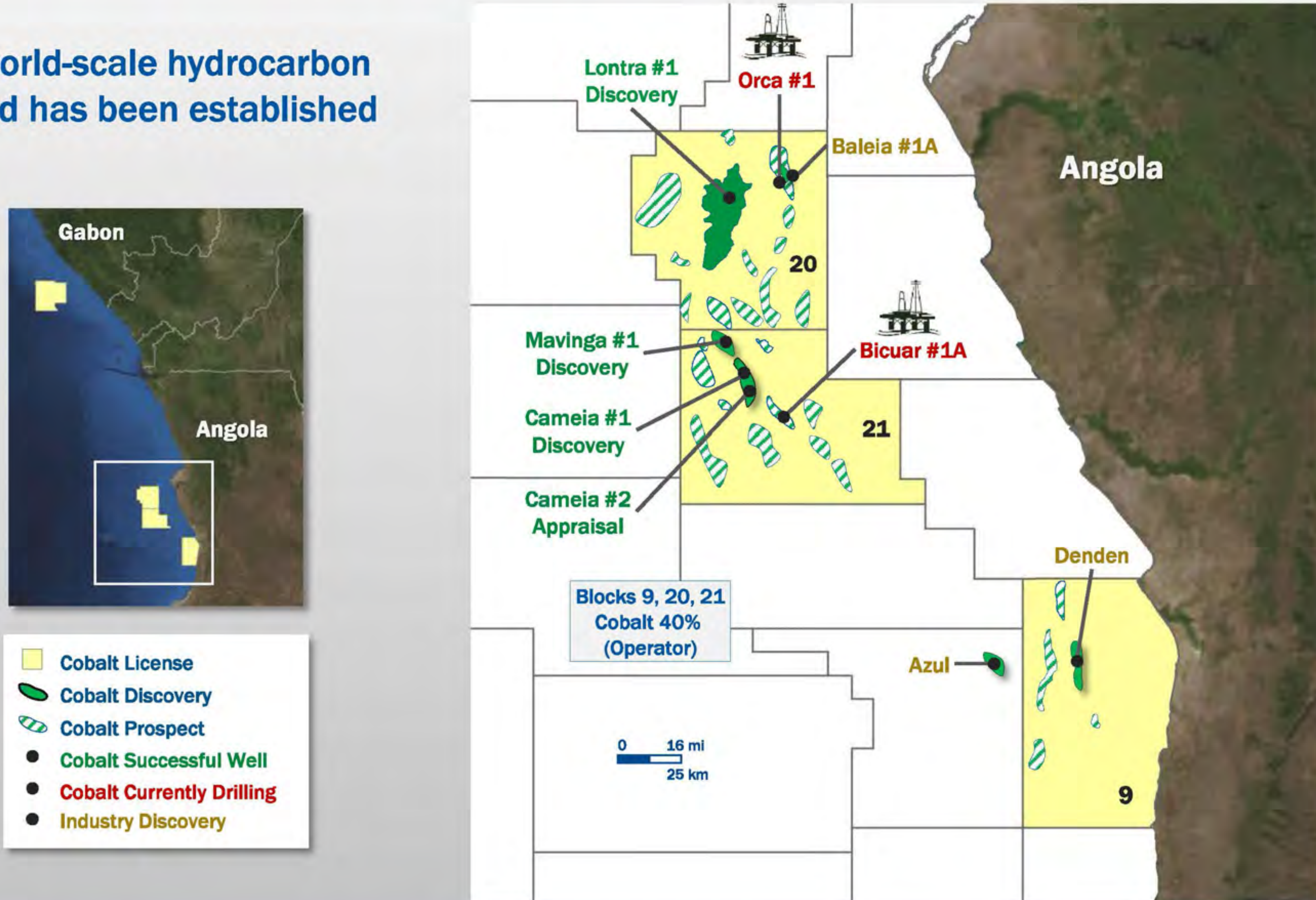
20+ Catalytic "follow-on" prospects

Forward:

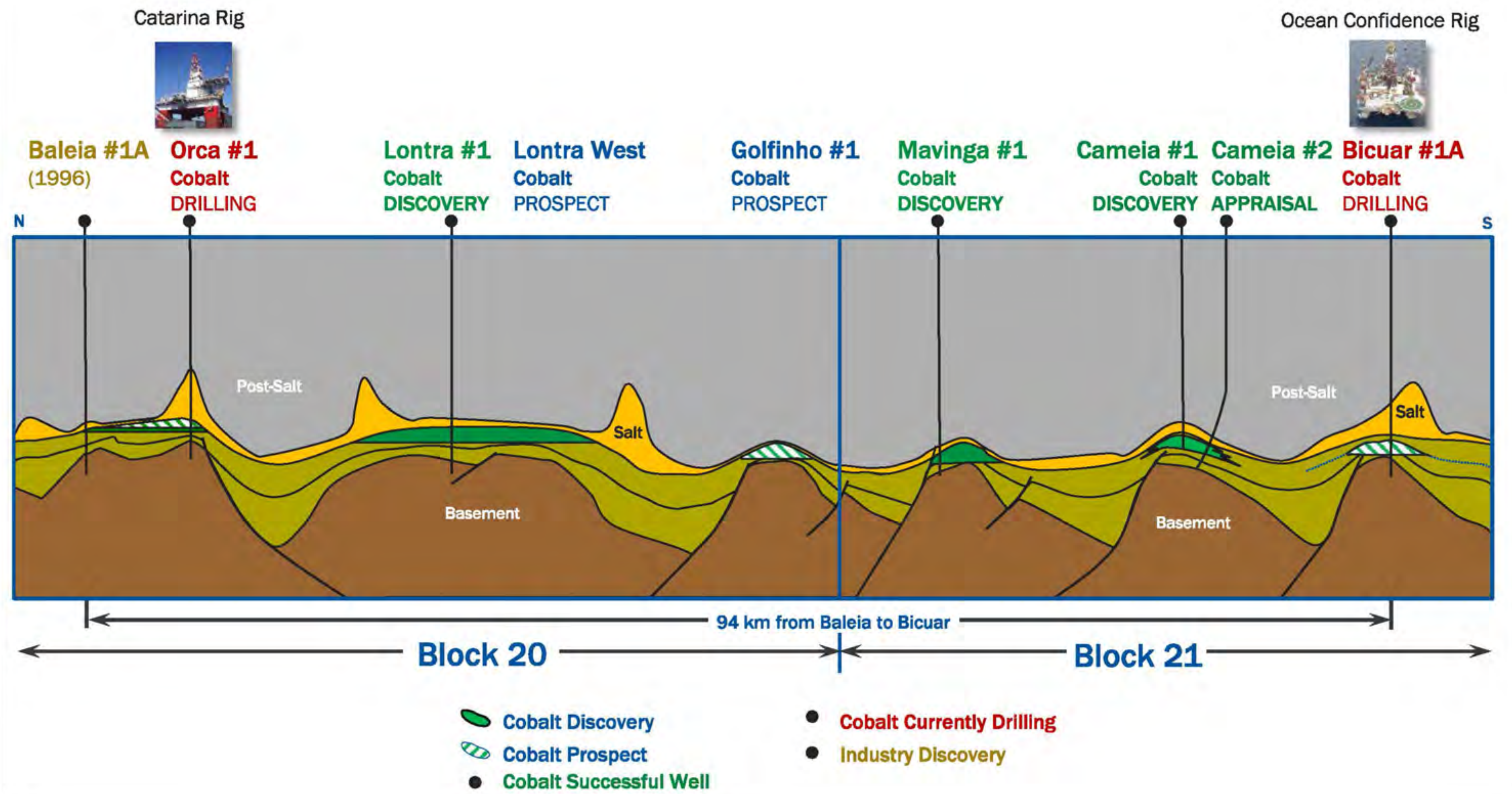
- Current 2 rig program across Angola Pre-salt play
- First Pre-salt development project (Cameia) advancing toward possible sanction in 2014
- Evaluate Lontra, Mavinga and Diaman results and plan/drill next Pre-salt exploration wells
- Focus of intensive 2014 industry exploration drilling

Cobalt Kwanza Basin Pre-salt Exploration – Three Discoveries

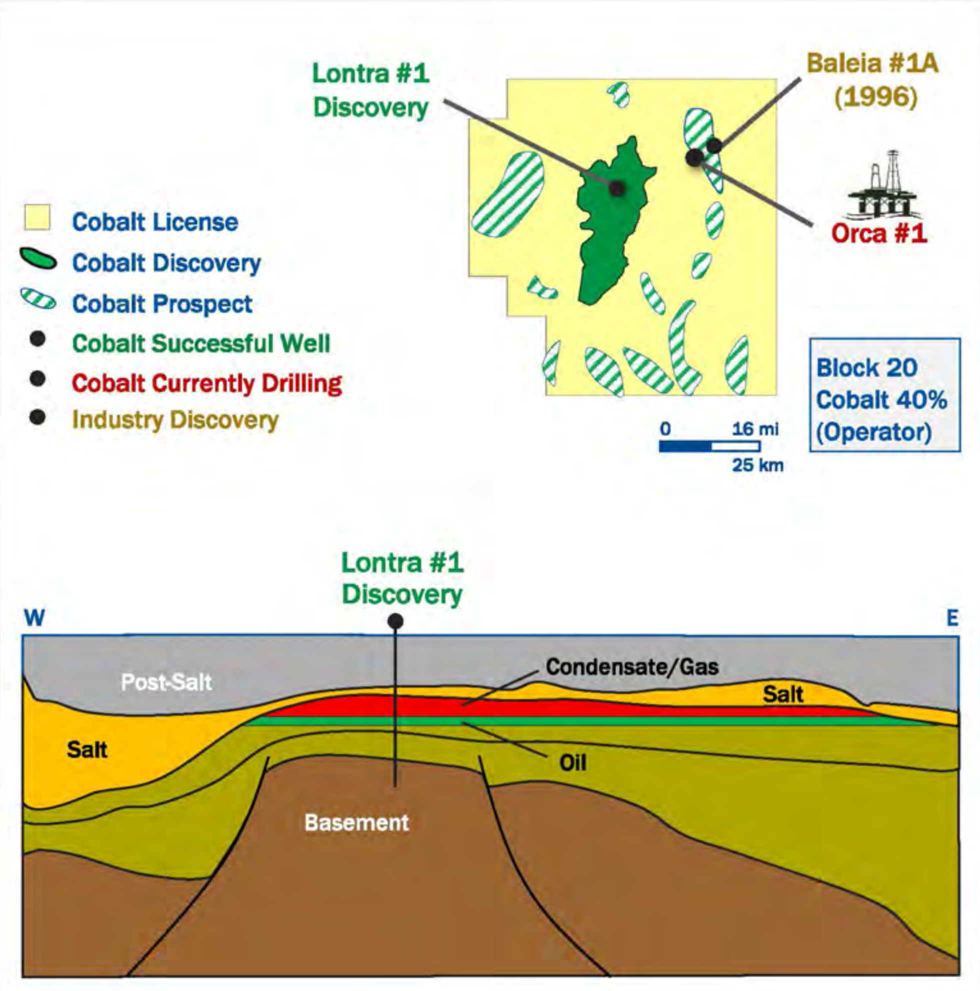
A world-scale hydrocarbon trend has been established



Pre-salt Structures on Trend with Cameia, Mavinga, Lontra Discoveries



Lontra Drill Stem Test Confirms Significant Discovery



Lontra field post-drill estimated resource range

- 700 MMBOE to 1.1+ BBOE
- 35-45% liquids (condensate and oil)
- Due to scale of structure more drilling will be required to assess the full potential and resource splits

~250 ft. of net pay in very high quality reservoir with excellent permeability

~9,500 BOEPD DST flow rate (limited by rig equipment)

- 2,500 BPD of condensate
- 39 MMCFPD of gas
- Minimal pressure drawdown

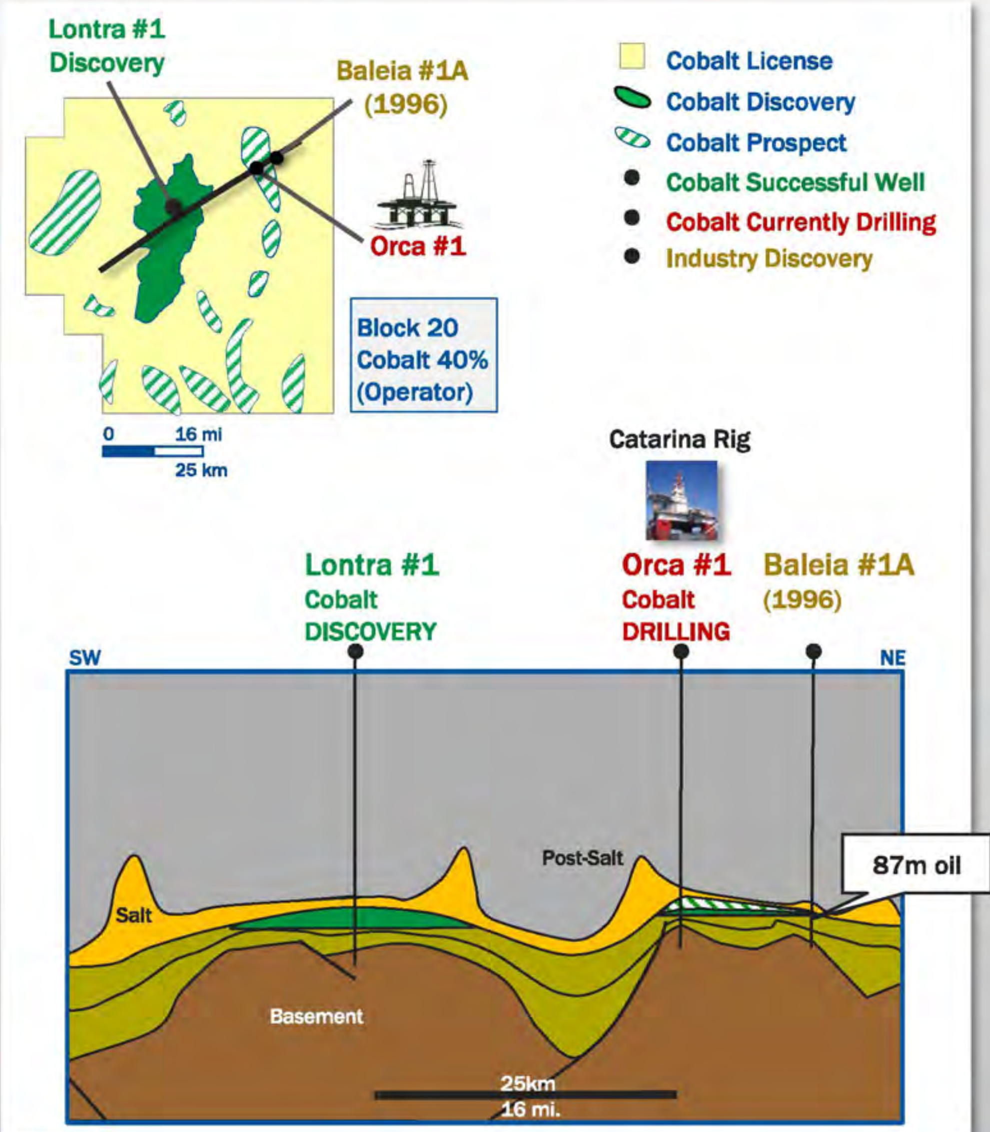
~30,000 BOEPD estimated gas interval well flow rate potential:

- ~7,500 BPD of condensate
- ~125 MMCFPD of gas

Only condensate/gas zone tested

Additional significant production potential from oil zone (not tested)

Orca #1: Up-dip Test from 1996 Baleia Discovery



Orca #1 will test the Pre-salt section up-dip of Baleia #1A well; second Pre-salt test on Block 20

New 3D suggests a larger structure with thicker reservoir potential up-dip

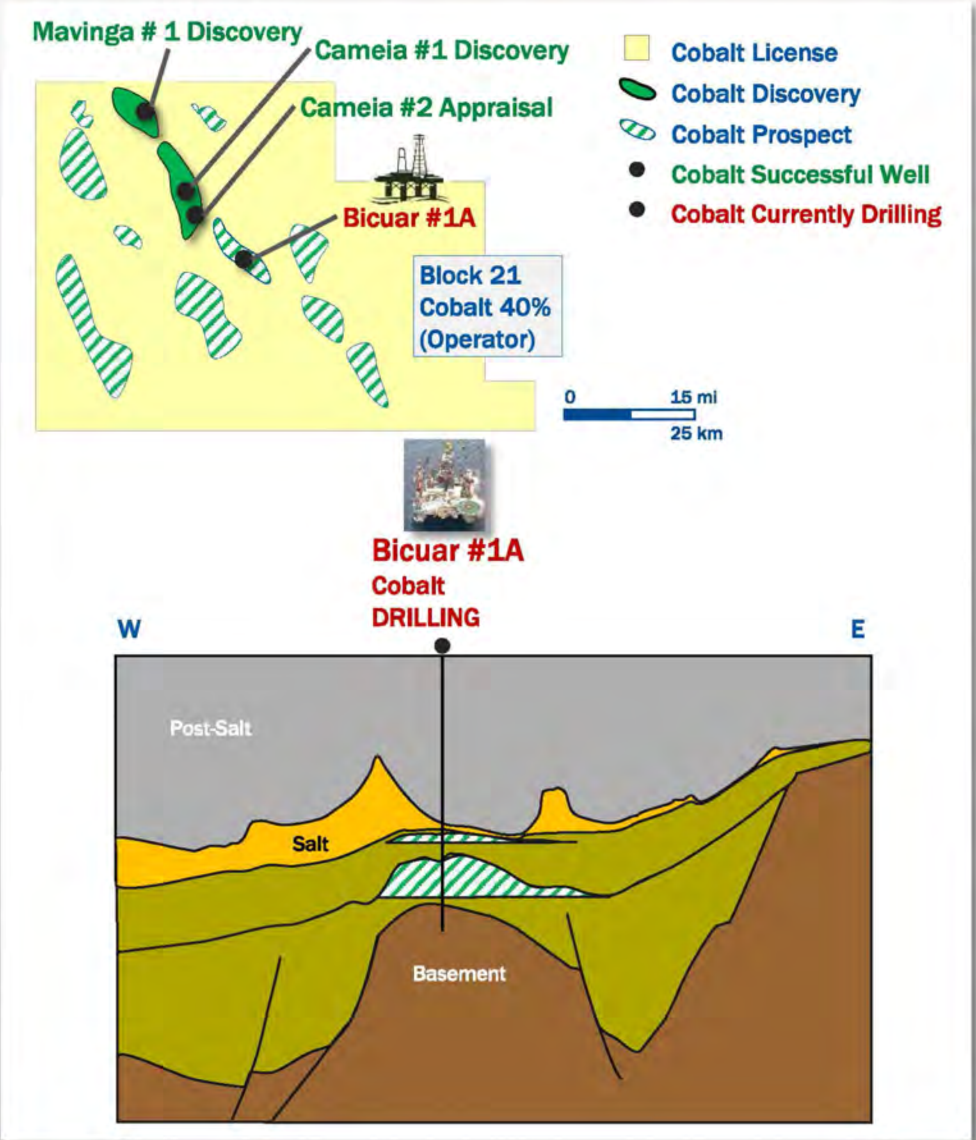
Structure size between Lontra and Cameia

Potential for additional deeper intervals

Reservoir quality is key risk

Spud Orca #1 December 2013; 130 - 150 day well

Bicuar Prospect on Trend with Cameia and Mavinga Pre-salt Discoveries



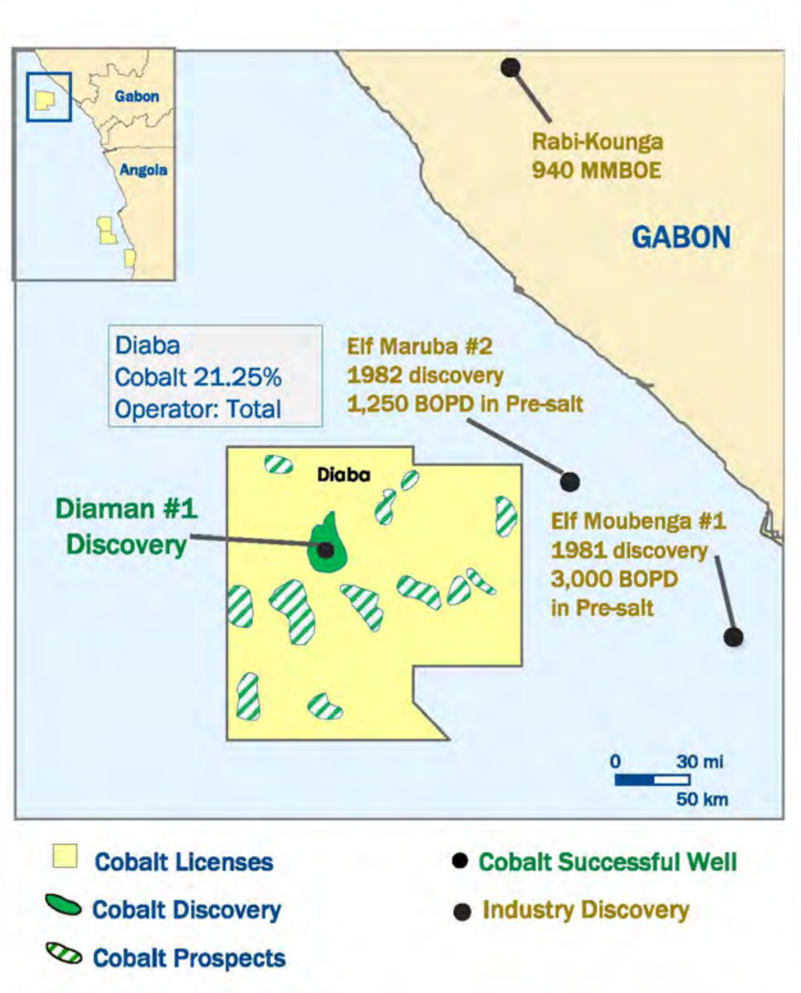
Bicuar #1A objective: evaluate potential mound facies and deeper stratigraphic intervals

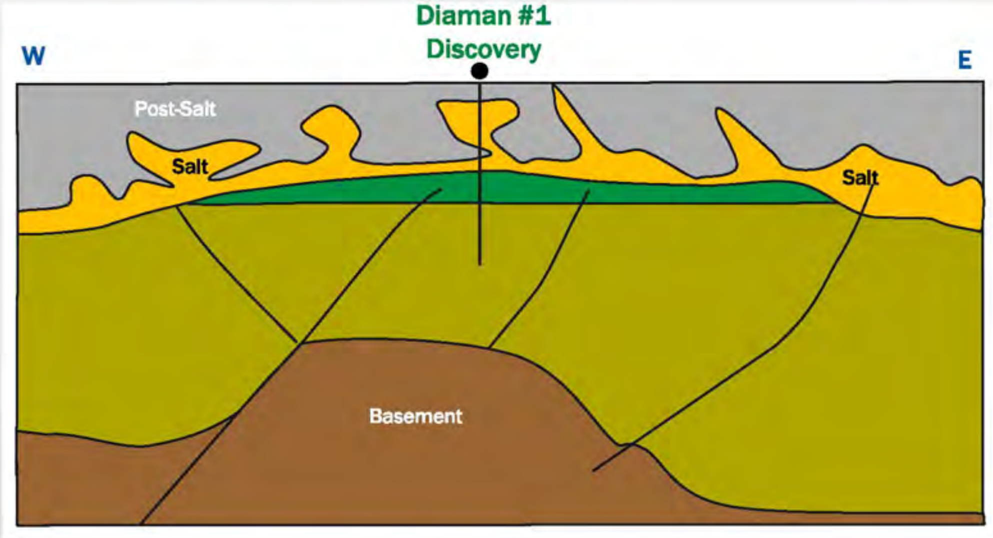
Reservoir quality is key risk

Well results expected first half of 2014

Spud Oct 2013; ~130 to 150 days to drill

Diaman Discovery: Gabon's First Deepwater Pre-salt Play Opener





Diaman discovery de-risks Gabon deepwater Pre-salt play

Encountered 160 – 180 feet (net) of hydrocarbons

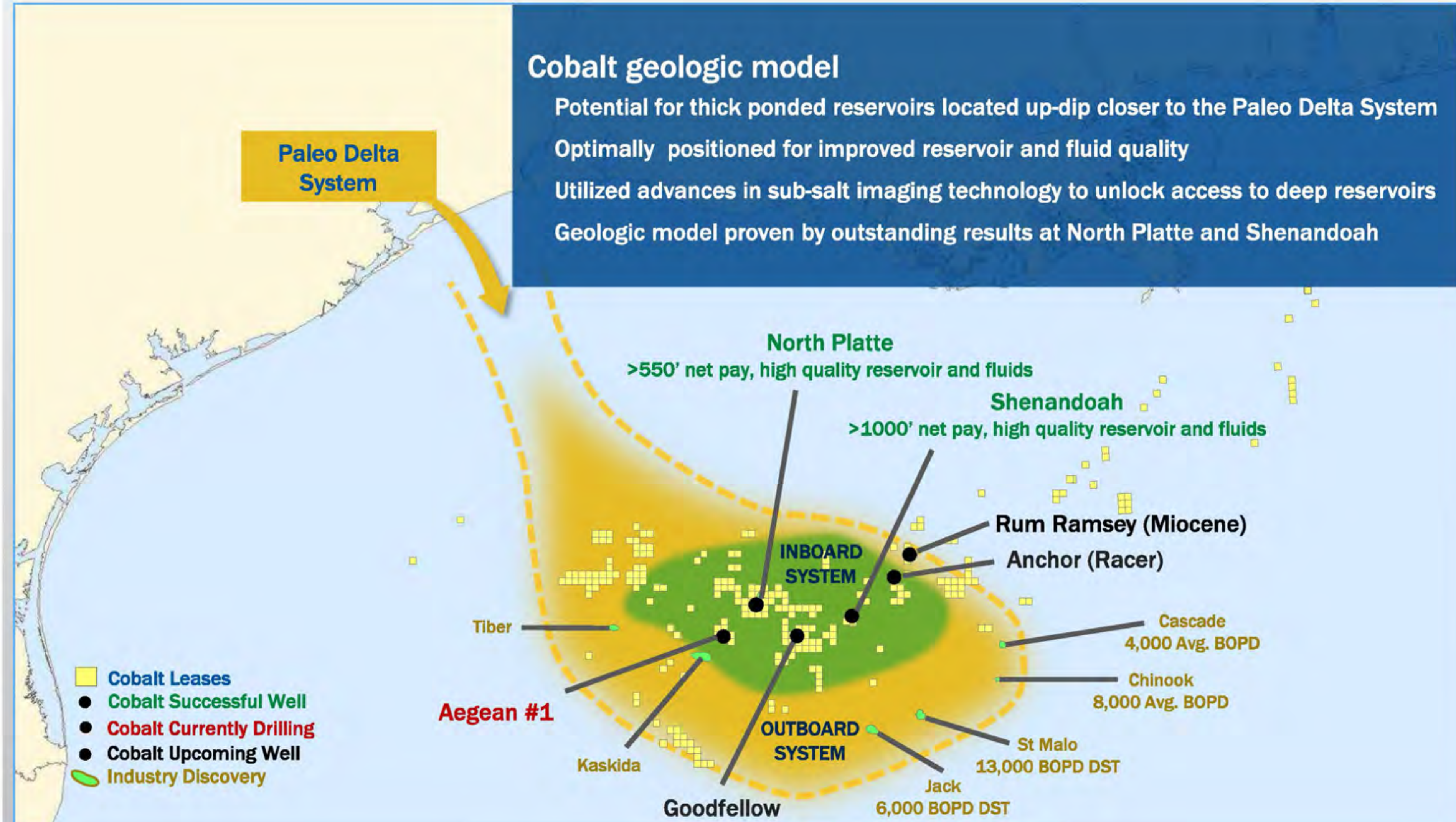
Confirmed high quality sandstone reservoirs, salt seal, working mature source rocks

Partners to conduct full analysis of well results and determine 2014 plan

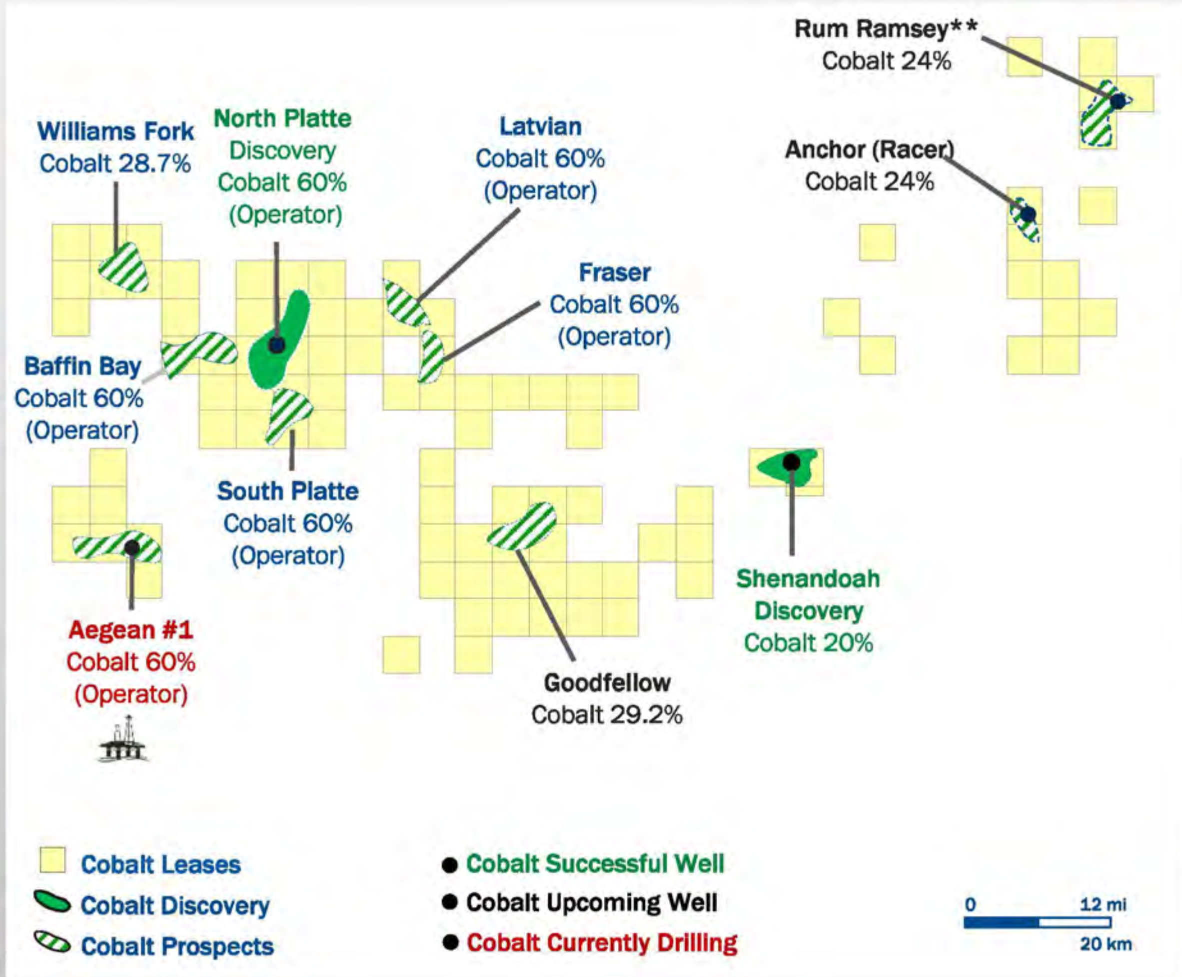
Cobalt's Proven Inboard Lower Tertiary Geologic Model in the Gulf of Mexico

Cobalt geologic model

- Potential for thick ponded reservoirs located up-dip closer to the Paleo Delta System
- Optimally positioned for improved reservoir and fluid quality
- Utilized advances in sub-salt imaging technology to unlock access to deep reservoirs
- Geologic model proven by outstanding results at North Platte and Shenandoah



Extensive Running Room in Cobalt Dominated Inboard Lower Tertiary Trend



*Per independent assessment by DeGolyer and MacNaughton (February 2011)
**Miocene Objective

Low entry cost

66% Cobalt success in new Inboard Lower Tertiary trend

Greater than 2 BBOE* gross resource potential on Cobalt acreage

Multiple Cobalt follow-on prospects

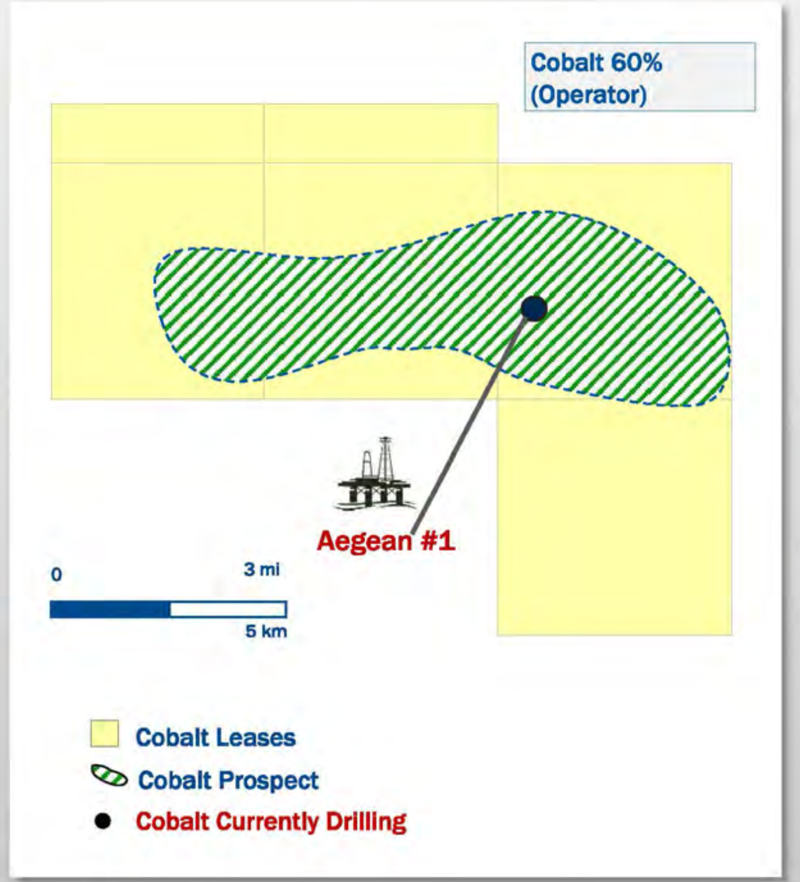
Aegean spud Sept 2013

New 3D seismic acquisition and processing

Rowan Reliance 6th generation deepwater rig delivery expected late 2014

Potential for Anchor (Racer), Rum Ramsey and Goodfellow spud in 2014

Aegean: Cobalt 2013 Operated Inboard Lower Tertiary Exploration Catalyst



Aegean #1 spud Sept 2013

Well results expected first half 2014

Inboard Lower Tertiary target

Cobalt 35% cost interest to $150MM (gross)

Gross un-risked potential of 300 to 500 MMBO*

Trap is key risk

* Per independent assessment by DeGolyer and MacNaughton (February 2011)

Cobalt International Energy

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2013

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number 001-34579

Cobalt International Energy, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**27-0821169**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

Cobalt Center
920 Memorial City Way, Suite 100
Houston, Texas 77024
(Address of principal executive offices, including zip code)

(713) 579-9100
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Securities Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common stock, $0.01 par value	The New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Securities Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Securities Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒	Accelerated filer ☐	Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Securities Act). Yes ☐ No ☒

As of June 30, 2013, the last business day of the registrant's most recently completed second fiscal quarter, the aggregate market value of the registrant's common stock held by non-affiliates was approximately $7.5 billion.

As of December 31, 2013, the registrant had 411,284,727 shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's proxy statement relating to the 2014 Annual Meeting of Shareholders, to be filed within 120 days of the end of the fiscal year covered by this report, are incorporated by reference into Part III of this Annual Report on Form 10-K.

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PART I

Cautionary Note Regarding Forward-Looking Statements

This Annual Report on Form 10-K contains estimates and forward-looking statements, principally in "Business," "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations." Our estimates and forward-looking statements are mainly based on our current expectations and estimates of future events and trends, which affect or may affect our businesses and operations. Although we believe that these estimates and forward-looking statements are based upon reasonable assumptions, they are subject to several risks and uncertainties and are made in light of information currently available to us. Many important factors, in addition to the factors described in this Annual Report on Form 10-K, may adversely affect our results as indicated in forward-looking statements. You should read this Annual Report on Form 10-K and the documents that we have filed as exhibits hereto completely and with the understanding that our actual future results may be materially different from what we expect.

Our estimates and forward-looking statements may be influenced by the following factors, among others:

- our ability to successfully and efficiently execute our project appraisal, development and exploration activities;
- our liquidity and ability to finance our exploration, appraisal, development, and acquisition activities;
- lack or delay of partner, government and regulatory approvals related to our operations;
- projected and targeted capital expenditures and other costs and commitments;
- uncertainties inherent in making estimates of our oil and natural gas data;
- our dependence on our key management personnel and our ability to attract and retain qualified personnel;
- current and future government regulation of the oil and gas industry and our operations;
- changes in environmental laws or the implementation or interpretation of those laws;
- our and our partners' ability to obtain permits and licenses and drill and develop our prospects and discoveries in the U.S. Gulf of Mexico and offshore West Africa;
- termination of or intervention in concessions, licenses, permits, rights or authorizations granted by the United States, Angolan and Gabonese governments to us;
- competition;
- the volatility of oil and gas prices;
- our ability to find, acquire or gain access to new prospects and renew our exploration portfolio;
- the availability, cost and reliability of drilling rigs, containment resources, production equipment and facilities, supplies, personnel and oilfield services;
- the ability of the containment resources we have under contract to perform as designed or contain or cap any oil spill, blow-out or uncontrolled flow of hydrocarbons;
- the availability and cost of developing appropriate infrastructure around and transportation to our prospects, discoveries and appraisal and development projects;
- military operations, civil unrest, piracy, terrorist acts, wars or embargoes;

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- our vulnerability to severe weather events, especially tropical storms and hurricanes in the U.S. Gulf of Mexico;
- the cost and availability of adequate insurance coverage;
- our ability to meet our obligations under the agreements governing our indebtedness; and
- other risk factors discussed in the "Risk Factors" section of this Annual Report on Form 10-K.

The words "believe," "may," "will," "aim," "estimate," "continue," "anticipate," "intend," "expect," "plan" and similar words are intended to identify estimates and forward-looking statements. Estimates and forward-looking statements speak only as of the date they were made, and, except to the extent required by law, we undertake no obligation to update or to review any estimate and/or forward-looking statement because of new information, future events or other factors. Estimates and forward-looking statements involve risks and uncertainties and are not guarantees of future performance. As a result of the risks and uncertainties described above, the estimates and forward-looking statements discussed in this Annual Report on Form 10-K might not occur and our future results and our performance may differ materially from those expressed in these forward-looking statements due to, including, but not limited to, the factors mentioned above. Because of these uncertainties, you should not place undue reliance on these forward-looking statements.

Item 1. *Business*

OVERVIEW

We are an independent exploration and production company with operations in the deepwater U.S. Gulf of Mexico and offshore Angola and Gabon in West Africa. Since our founding in 2005, our oil-focused, below-salt exploration efforts have been successful in each of our operating areas, resulting in nine discoveries out of the fourteen exploration prospects drilled. These nine discoveries consist of North Platte, Heidelberg and Shenandoah in the U.S. Gulf of Mexico; Cameia, Lontra, Mavinga, Bicuar and Orca offshore Angola; and Diaman offshore Gabon.

With these discoveries, our primary focus areas are:

1. **Project Appraisal and Development**—to progress our discoveries, which are currently in various stages of appraisal and development, toward project sanction and into proved reserves, production, and cash flow;
2. **Continued Exploration—**to simultaneously maintain a robust exploration program on our current acreage; and
3. **New Ventures—**to seek the renewal of our worldwide exploration portfolio in locations applicable to our deepwater and below-salt exploration strength.

Each of these focus areas is discussed below by geographic region, followed by background information regarding the geology, plans for appraisal and development, licenses and leaseholds, drilling rigs and drilling results applicable to our geographic regions.

Project Appraisal and Development

U.S. Gulf of Mexico

We and our partners are moving forward on three appraisal and development projects in the U.S. Gulf of Mexico as described below:

Heidelberg Project. Our Heidelberg project was formally sanctioned in mid-2013, and Anadarko Petroleum Corporation ("Anadarko"), as operator, currently estimates first production from Heidelberg in 2016. On February 2, 2009, we announced that the Heidelberg #1 exploration well had encountered

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Shenandoah Project. On February 4, 2009, we announced that Anadarko, as operator, had drilled the Shenandoah #1 exploration well into Inboard Lower Tertiary horizons and encountered net oil pay approaching 300 feet. This well, located in approximately 5,750 feet of water in Walker Ridge Block 52, was drilled to approximately 30,000 feet. The initial appraisal well on the Shenandoah field was spud in the third quarter of 2012 in approximately 5,800 feet of water, about 1.3 miles southwest of the Shenandoah #1 exploration well and was drilled to a total depth of 31,405 feet. On March 19, 2013, we announced that the Shenandoah appraisal well encountered more than 1,000 net feet of oil pay in multiple high quality Inboard Lower Tertiary-aged reservoirs. We expect to participate as a non-operator in an additional appraisal well on the Shenandoah field in 2014. The Shenandoah project is in the early stages of the project development life-cycle and will require substantial additional evaluation and analysis, which may include additional appraisal drilling, prior to the preparation of a development plan and seeking formal project sanction. We own a 20% non-operated working interest in the Shenandoah project.

West Africa

We and our partners are moving forward on our Cameia development project and evaluating our additional discoveries offshore West Africa as described below:

Cameia Project (Block 21). On February 9, 2012, we announced that the Cameia #1 exploration well was drilled in 5,518 feet (1,682 meters) of water to a total depth of 16,030 feet (4,886 meters), at which point an extensive wire-line evaluation program was conducted. The results of this wire-line evaluation program confirmed the presence of a 1,180 foot (360 meter) gross continuous hydrocarbon column with over a 75% net to gross pay estimate. No gas/oil or oil/water contact was evident on the wire line logs. An extended Drill Stem Test ("DST") was performed on the Cameia #1 exploration well to provide additional information. The DST flowed at an un-stimulated sustained rate of 5,010 barrels per day of 44-degree API gravity oil and 14.3 million cubic feet per day of associated gas (approximately 7,400 barrels of oil equivalent per day ("BOEPD")) with minimal bottom-hole pressure drawdown. Upon shut-in, the bottom-hole pressure reverted to its initial state in less than one minute. The well bore used in the DST had a perforated interval of less than one-third of the reservoir section. The flow rate, which was restricted by surface equipment, facility and safety precautions, confirmed the presence of a very thick, high quality reservoir. We believe the well, without such restrictions, would have the potential to produce in excess of 20,000 BOPD. On March 2, 2012, we submitted a declaration of commercial well to Sociedade National de Combustíveis de Angola—Empresa Pública ("Sonangol") with respect to the Cameia #1 exploration well. During 2012, we drilled the Cameia #2 appraisal well, which was located approximately 2.2 miles (3.5 kilometers) south of the Cameia #1 exploration well and was successful in demonstrating lateral continuity within the reservoir originally encountered by the Cameia #1 exploration well. The results from the Cameia #2 appraisal well were also important as the well discovered a lower hydrocarbon-bearing zone at least 440 feet (134 meters) deeper than that which was observed in the Cameia #1 exploration well.

We continue to advance our Cameia project through the project development life-cycle following the drilling of the successful Cameia #2 appraisal well. Our confidence in moving the Cameia project forward is based on the fact that the Cameia #2 appraisal well penetrated hydrocarbons and the well results demonstrated lateral continuity within the reservoir originally encountered by our Cameia #1 exploration well. This provided additional assurance of sufficient areal extent to support our plans to proceed with the evaluation of development options. As part of our development work on our Cameia project, we have continued to define our subsurface imaging by integrating the data from a newly acquired 3-D seismic survey. We are also conducting static and dynamic reservoir modeling and performance simulations. We are utilizing this information to prepare estimates for the cost of and timeline associated with the design, procurement, fabrication and commissioning of equipment and materials, including a floating production, storage and offloading ("FPSO") vessel, as well as the

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drilling and completion of development wells. These estimates, combined with our subsurface description, are being used to generate an integrated field development plan for the Cameia project. On February 28, 2014, we will submit a formal declaration of commercial discovery to Sonangol with respect to our Cameia project. We plan to drill an additional appraisal well on the Cameia field in 2014, which is expected to be utilized as a field development well. The results of this well will be used to validate the final facilities design prior to project sanction. We expect to submit the integrated field development plan in mid-2014 for approval by our partners, Sonangol and the Angola Ministry of Petroleum. The integrated field development plan must be approved by our partners, Sonangol and the Angola Ministry of Petroleum before the Cameia development may be formally sanctioned. We expect formal sanction of the Cameia project in late 2014 or early 2015 and first production from the Cameia project in 2017, assuming continued alignment with our partners and Sonangol. We are the operator of and have a 40% working interest in the Cameia project. Our partners in the Cameia project include Sonangol Pesquisa e Produção, S.A. ("Sonangol P&P"), with a 35% working interest, Nazaki Oil and Gáz, S.A. ("Nazaki"), with a 15% working interest, and Alper Oil, Limitada ("Alper"), with a 10% working interest.

Lontra Discovery (Block 20). On December 1, 2013, we announced that our Lontra #1 exploration well had been drilled to a total depth of 13,763 feet (4,195 meters) and encountered approximately 250 feet (75 meters) of net pay in a very high quality reservoir section. The Lontra #1 exploration well encountered both a high liquids content gas interval and an oil interval. A DST was performed on the high liquids content gas interval and successfully produced a sustained flow rate of 2,500 barrels per day of condensate and 39 million cubic feet per day of gas. The DST did not test the oil interval. On December 20, 2013, we submitted a declaration of commercial well to Sonangol regarding the Lontra #1 exploration well. Given that the Lontra #1 exploration well was only recently finished, the Lontra discovery is in the early stages of the project development life-cycle and will require substantial additional evaluation and analysis, including appraisal drilling, prior to preparing a development plan and seeking formal project sanction. Currently, we are evaluating data we obtained from the Lontra #1 exploration well. Our initial development plans for Lontra are to proceed with development of the oil and condensate from the Lontra field independently of any agreement to commercialize the gas present in the Lontra field. We do not currently have contractual rights to sell gas from the Lontra field, although we are working with Sonangol to commercialize the gas present in the Lontra field. We are the operator of and have a 40% working interest in the Lontra discovery. Our partners in Lontra include BP Exploration Angola (Kwanza Benguela) Limited ("BP") and Sonangol P&P, with each partner holding a 30% working interest.

Bicuar Discovery (Block 21). On January 22, 2014, we announced that the Bicuar #1A exploration well was successfully drilled to a total depth of 18,829 feet (5,739 meters) and encountered approximately 180 feet (56 meters) of net pay from multiple pre-salt intervals. Results of an extensive logging, coring and fluid acquisition program confirmed the existence of both oil and condensate in multiple intervals. No free gas zones or water contacts were observed. The results from the Bicuar #1A exploration well are significant because they confirm the first discovery of mobile hydrocarbons tested in the pre-salt syn-rift geologic interval offshore Angola. On February 13, 2014, we submitted a declaration of commercial well to Sonangol regarding the Bicuar #1A exploration well. Given that the Bicuar #1A exploration well was only recently finished, Bicuar is in the very early stages of the project development life-cycle and will require substantial additional evaluation and analysis, including appraisal drilling, prior to preparing a development plan and seeking formal project sanction. We are the operator of and have a 40% working interest in the Bicuar discovery. Our partners in Bicuar include Sonangol P&P (35% working interest), Nazaki (15% working interest), and Alper (10% working interest).

Mavinga Discovery (Block 21). On October 29, 2013, we announced that the Mavinga #1 exploration well had reached total depth and encountered approximately 100 feet (30 meters) of net oil

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pay. This discovery was confirmed by the successful production of oil from mini DSTs, direct pressure and permeability measurements and log and core analysis. Efforts to establish a sustained flow rate from a full DST were not successful. We believe that operational issues associated with the DST prevented the production from the oil reservoir during the production test. We estimate a gross oil column of up to 650 feet (200 meters) at the crest of the Mavinga structure updip of the Mavinga #1 exploration well. Additional drilling will be required to confirm the ultimate gross thickness of the crest of the Mavinga structure and Mavinga's reservoir quality. On November 12, 2013, we submitted a declaration of commercial well to Sonangol regarding the Mavinga #1 exploration well. Given that the Mavinga #1 exploration well was only recently finished, our Mavinga discovery is in the very early stages of the development life-cycle and will require substantial additional evaluation and analysis, potentially including appraisal drilling, prior to preparing a development plan and seeking formal project sanction. Given the results of the Mavinga #1 exploration well and its proximity to the location of our Cameia project, our initial development concept for the Mavinga discovery is to eventually tie back the Mavinga field to our Cameia project. Although we estimate formal sanction of the Cameia project in late 2014 or early 2015 and first production from the Cameia project in 2017 (assuming continued alignment with our partners and Sonangol) those estimates and timelines do not include any potential tie-back development to or production from our Mavinga discovery. We do not currently have an estimate on when the Mavinga discovery might be sanctioned or when we might achieve first production. We are the operator of and have a 40% working interest in the Mavinga discovery. Our partners in Mavinga include Sonangol P&P (35% working interest), Nazaki (15% working interest), and Alper (10% working interest).

Orca Discovery (Block 20). On February 27, 2014, we provided an update on our Orca #1 deepwater pre-salt exploration well in Block 20, offshore Angola. The well has reached total depth and has resulted in our fifth consecutive pre-salt discovery in Angola's Kwanza basin. Results of an extensive logging, coring and fluid acquisition program confirmed the existence of 250 feet (76 meters) of net oil pay. Based on all data collected to date, the discovery appears to consist of a large light oil reservoir and a thin condensate and gas cap in the upper sag section of the well. In addition, mobile oil was discovered in the deeper syn-rift section of the well. After running production casing on the well which is currently underway, further evaluation and testing will commence, after which the well will be temporarily abandoned. Over the next several months following full processing and integration of all subsurface data collected from the well, the Block 20 partners will evaluate any additional activities necessary to assess Orca's commerciality. After well operations are complete at Orca #1, we will move the Petroserv SSV Catarina drilling rig to the Cameia #3 location in Angola Block 21.

Diaman Discovery (Diaba Block). On August 19, 2013, we announced that the Diaman #1B exploration well was drilled to a total depth of 18,323 feet (5,585 meters), and encountered approximately 160 to 180 feet (50 to 55 meters) of net hydrocarbons in the objective pre-salt formations on the Diaba Block offshore Gabon. The Diaman #1B exploration well successfully confirmed the existence of a working petroleum system, a salt seal, and high-quality sandstone reservoirs. We and our partners are conducting a full analysis of the Diaman #1B exploration well results in order to determine our future exploration and appraisal drilling activity on the Diaba Block. Diaman is in the very early stages of the project development life-cycle and will require substantial additional evaluation and analysis, including appraisal drilling, prior to proceeding with a development plan. We have a 21.25% non-operated working interest in the Diaman discovery. Our partners in the Diaman discovery include Total Gabon, as operator (42.5% working interest), Marathon Petroleum Corporation (21.25% working interest), and the Republic of Gabon (15% working interest).

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Continued Exploration

U.S. Gulf of Mexico

We currently have an extensive below-salt exploration prospect inventory in the deepwater U.S. Gulf of Mexico. During 2014, we plan to focus on maturing our operated below-salt prospect inventory through seismic acquisition and evaluation and well permitting activities for future exploration drilling. Specifically, we plan to focus on maturing our South Platte, Baffin Bay, and Williams Fork prospects, which are Inboard Lower Tertiary prospects in close proximity to our North Platte #1 discovery, for future exploration drilling beginning in 2015. We expect to take delivery of the Rowan Reliance drillship in early 2015 and plan use it to drill one to two exploration wells per year. The Rowan Reliance drillship will also be used for appraisal and development drilling on our North Platte project. Please see "General Information—U.S. Gulf of Mexico—Drilling Rigs" for more information about the Rowan Reliance drillship.

Our near term exploration plans call for the following exploration wells to be drilled:

Anchor #1. We expect to participate as a non-operator in the Anchor #1 (formerly our Racer prospect) exploration well in 2014, which will target Inboard Lower Tertiary horizons and a secondary Miocene target. Currently, we have a 20% working interest in the Anchor prospect and our partners are Chevron U.S.A. Inc. (55%), Venari Resources LLC (12.5%), and Samson Offshore, LLC (12.5%).

Goodfellow #1. We expect to participate as a non-operator in the Goodfellow #1 exploration well, which will target Inboard Lower Tertiary horizons. Currently we have a 21.2% working interest in the Goodfellow prospect and our partners include ENI U.S. Operating Co. Inc. (25.7%), Samson Offshore, LLC (25.7%), and Total (27.4%). Prior to spudding the Goodfellow #1 exploration well, the composition and working interests of the Goodfellow partnership may change.

In addition, we plan to continue maturing our exploration prospects, including Rum Ramsey, Latvian, El Ciervo, Fraser, Mulashidi, Kashmir, Percheron, Rocky Mountain, Saddelbred and Sulu. See "Risk Factors—Risks Relating to Our Business—Our drilling plans are scheduled out over several years, making them susceptible to uncertainties that could materially alter the occurrence or timing of drilling."

West Africa

We currently have an extensive pre-salt exploration prospect inventory offshore West Africa. Our first six exploration wells offshore West Africa have all been successful in discovering hydrocarbons. This represents an exploration success rate of 100%. We have the Petroserv SSV Catarina drilling rig under contract for use in our Angolan drilling campaign and plan to utilize it to drill exploration, appraisal and development wells across our exploration and project portfolio. Please see "General Information—West Africa—Drilling Rigs" for more information about the Petroserv SSV Catarina drilling rig.

Our near term exploration plans call for the following exploration wells to be drilled:

Loengo #1. We have applied for an extension of the initial exploration phase on Block 9 offshore Angola to enable us to drill an exploration well on the Loengo prospect. This extension is currently pending approval by Sonangol and the Angola Ministry of Petroleum. If the extension is approved, we expect to spud the Loengo #1 exploration well in 2014. The Loengo #1 exploration well will target pre-salt horizons in Block 9 offshore Angola, where we are the named operator with a 40% working interest. Loengo was mapped using our 3-D seismic data. Sonangol P&P (35%), Nazaki (15%), and Alper (10%) are our partners in the Loengo prospect.

Mupa #1. We expect to spud the Mupa #1 exploration well by year-end 2014. The Mupa #1 exploration well will target pre-salt horizons in Block 21 offshore Angola, where we are the named

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proves to be incapable of producing either oil or gas in sufficient quantities to justify completion as an oil or gas well.

	U.S. Gulf of Mexico[(1)]					
	2013[(2)]		2012[(3)]		2011	
Wells Drilled	Gross	Net	Gross	Net	Gross	Net
Exploration						
Productive	1	0.2	2	0.69375	—	—
Dry	2	1.2	1	0.45	—	—
Total	3	1.4	3	1.14375	—	—

(1) We did not drill any development wells in the U.S. Gulf of Mexico during the fiscal years ended December 31, 2013, 2012, and 2011, respectively.

(2) The wells noted include our Shenandoah #2R appraisal well (productive), and our Ardennes #1 (dry) and Aegean #1 (dry) exploration wells.

(3) The wells noted include our North Platte #1 (productive) and Ligurian #2 (dry) exploration wells and our Heidelberg #3 appraisal well (productive).

As of the date of this Annual Report on Form 10-K, we did not have any oil or gas wells drilling in the U.S. Gulf of Mexico.

Strategic Relationship with Total

On April 6, 2009, we announced a long-term alliance with Total in which, through a series of transactions, we combined our respective U.S. Gulf of Mexico exploration lease inventory (which excludes our Heidelberg project, our Shenandoah project, and all developed or producing properties held by Total in the U.S. Gulf of Mexico) through the exchange of a 40% interest in our leases for a 60% interest in Total's leases, resulting in a current combined alliance portfolio covering 239 blocks. The initial mandatory five-well program and Total's obligation to carry a substantial share of our costs associated with those wells concluded at the end of drilling operations on our Aegean #1 exploration well. Pursuant to the alliance, Total remains obligated to pay 40% of the general and administrative costs relating to our operations in the deepwater U.S. Gulf of Mexico during the 10-year alliance term. Total also remains obligated to pay up to $87.8 million to carry up to two-thirds of (i) our costs for drilling or other operations (including seismic) conducted prior to the development phase on our North Platte project, and (ii) our costs for any additional exploration or appraisal wells apart from our North Platte project. We act as operator on behalf of the alliance through the exploration and appraisal phases of development. Upon completion of appraisal operations, operatorship will be determined by Total and ourselves, with the greatest importance being placed on majority (or largest) working interest ownership and the respective experience of each party in developments which have required the design, construction and ownership of a permanently anchored host facility to collect and transport oil or natural gas from such development.

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economically viable or successful. Following a discovery by an initial exploration well, substantial additional evaluation and analysis, such as the steps described above, will need to be performed prior to official project sanction and development, including important regulatory approvals. At any time during the project development life-cycle, we may determine that the project would be uneconomic and abandon the project, despite the fact that the initial exploration well, or subsequent appraisal wells, discovered hydrocarbons. See "Risk Factors—Risks Relating to Our Business—Our discoveries and appraisal and development projects remain subject to varying degrees of additional evaluation, analysis and partner and regulatory approvals prior to official project sanction and production."

Licenses

Block 9 offshore Angola. We acquired our license to explore for, develop and produce oil from Block 9 offshore Angola by executing a Risk Services Agreement ("Block 9 RSA") with Sonangol. The Block 9 RSA governs our 40% working interest in and operatorship of Block 9 offshore Angola and forms the basis of our exploration, development and production operations on this block. The Block 9 RSA provides for an initial exploration period of four years, which is scheduled to expire on March 1, 2014, and an optional exploration period of an additional three years. We have applied for an extension of the exploration period for Block 9 to enable us to drill an exploration well on our Loengo prospect. This extension is currently pending approval by Sonangol and the Angola Ministry of Petroleum. We do not have contractual rights to sell natural gas on Block 9, but we have the right to use the natural gas during lease operations. Any stand-alone gas development cannot hinder or impede the development of liquid hydrocarbons on Block 9. Block 9 is approximately 1 million acres (4,000 square kilometers) in size or approximately 167 U.S. Gulf of Mexico blocks and is located immediately offshore in the southeastern-most portion of the Kwanza Basin. Water depth ranges from zero to more than 3,200 feet (1,000 meters). Sonangol P&P, Nazaki, and Alper are also parties to the Block 9 RSA. For more information regarding our Block 9 license, please see "—Material Agreements—Risk Services Agreements for Blocks 9 and 21 Offshore Angola."

Block 21 offshore Angola. We acquired our license to explore for, develop and produce oil from Block 21 offshore Angola by executing a Risk Services Agreement ("Block 21 RSA") with Sonangol. The Block 21 RSA governs our 40% working interest in and operatorship of Block 21 offshore Angola and forms the basis of our exploration, development and production operations on this block. The Block 21 RSA provides for an initial exploration period of five years, which is scheduled to expire on March 1, 2015, and an optional exploration period of an additional three years. We do not have contractual rights to sell natural gas on Block 21, but we have the right to use the natural gas during lease operations. Any stand-alone gas development cannot hinder or impede the development of liquid hydrocarbons on Block 21. Block 21 is approximately 1.2 million acres (4,900 square kilometers) in size or approximately 200 U.S. Gulf of Mexico blocks. The block is 30 to 90 miles (50 to 140 kilometers) offshore in water depths of 1,300 to 5,900 feet (400 to 1,800 meters) in the central portion of the Kwanza Basin. Sonangol P&P, Nazaki, and Alper are also parties to the Block 21 RSA. For more information regarding our Block 21 license, please see "—Material Agreements—Risk Services Agreements for Blocks 9 and 21 Offshore Angola."

On September 19, 2013, we received a letter from Sonangol notifying us that Nazaki had transferred a 15% working interest in each of Blocks 9 and 21 offshore Angola (out of its 30% working interest in each block) to Sonangol P&P. The letter stated that these transfers were effective as of March 14, 2013 for Block 9 and February 18, 2013 for Block 21, corresponding to the dates of the executive decrees from the Angola Ministry of Petroleum authorizing such transfers. As a result of these transfers, Sonangol P&P now has a working interest of 35% and a current paying interest of 18.75% (which is applicable only during the exploration phase on Blocks 9 and 21) in each of Blocks 9 and 21. Our working interest of 40% and current paying interest of 62.5% (which is applicable only

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these Decree Laws, in October 2009, we completed negotiations with Sonangol and initialed the finalized RSAs for Blocks 9 and 21 offshore Angola. On December 16, 2009, the Council of Ministers of Angola approved the terms of the finalized RSAs. On February 24, 2010, we executed RSAs for Blocks 9 and 21 offshore Angola with Sonangol, Sonangol P&P, Nazaki and Alper. Cobalt, Sonangol P&P, Nazaki and Alper comprise the "Contractor Group" under the RSAs. The RSAs govern our 40% working interest in and operatorship of Blocks 9 and 21 offshore Angola and form the basis of our exploration, development and production operations on these blocks.

- Under the RSA for Block 9, we are required to drill three wells, as well as acquire approximately 386 square miles (1,000 square kilometers) of seismic data within four years of its signing. This four year period may be extended by one extension of three years if we notify Sonangol in writing of such extension at least thirty days before the end of the four year period and if we have otherwise fulfilled our obligations under the agreement. After this initial four or seven year period ends, our rights in the block are only preserved with respect to the development areas on the block on which discoveries have been made and all other portions of the block will be forfeited. After this initial four or seven year period ends, we will also be required to commence production within four years of the date of the commercial discovery, subject to certain extensions. We have the right to a 20 year production period, commencing on the date of the declaration of commercial discovery for each respective development area. In order to guarantee our exploration work obligations under the RSA for Block 9, we and Nazaki are required to post a financial guarantee in the amount of approximately $87.5 million. Our share of this financial guarantee is approximately $54.7 million. In March 2010, we delivered a letter of credit to Sonangol for such amount. As we complete our work obligations under the RSA, the amount of this letter of credit will be reduced accordingly. We acquired approximately 2,500 square kilometers of 3-D seismic data on Block 9 in 2011, and, accordingly, our letter of credit was reduced by approximately $9.375 million on April 25, 2011. As is customary in Angola, we are required to make contributions for Angolan social projects and academic scholarships for Angolan citizens. We made such an initial contribution in March 2010 after the signing of the RSA and will make additional contributions upon each commercial discovery, upon project development sanction and each year after the commencement of production. We have a 40% working interest in Block 9, with Sonangol P&P, Nazaki and Alper holding lesser working interests in the block and sharing in the exploration, development and production costs associated with such block, subject to our obligation to carry a portion of Sonangol P&P's expenses through the exploration phase and Alper's expenses through the exploration phase and first development. Proportionate with our working interest in Block 9, we will receive 40% of a variable revenue stream that the Contractor Group will be allocated from Sonangol based on the Contractor Group's rate of return, calculated on a quarterly basis, and then reduced by applicable Angolan taxes and royalties. The Contractor Group's rate of return for each quarter will be determined by the Contractor Group's variable revenue stream from liquid hydrocarbon production less expenditures and Angolan taxes and royalties from the block. The variable revenue stream paid by Sonangol to the Contractor Group ranges from 72% to 95%, and is inversely related to the applicable rate of return. The Angolan taxes and royalties applicable to the variable revenue stream include the petroleum production tax (at a current tax rate of 20% applied to the Contractor Group's variable revenue stream), the petroleum transaction tax (at a current tax rate of 70% applied to the Contractor Group's variable revenue stream less expenditures less the Contractor Group's specified production allowance, which ranges from 55% to 95% of the Contractor Group's variable revenue stream depending inversely on the Contractor Group's rate of return) and the petroleum income tax (at a current tax rate of 65.75% applied to the Contractor Group's variable revenue stream less expenditures and less petroleum production and petroleum transaction taxes paid). We do not have contractual rights to sell natural gas from Block 9, but we have the right to use the natural gas during lease

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2005, he held the position of Vice President and then Executive Director for BP Exploration (Angola) Limited, an oil and gas exploration and production company operating in Angola. Mr. Smith's additional industry experience includes leadership positions at various companies in the oil and gas industry operating in Azerbaijan, Georgia, Turkey, the United Kingdom, the United States and Canada. Mr. Smith holds a Bachelor of Commerce from the University of Calgary.

Lynne L. Hackedorn has served as Vice President, Government and Public Affairs since October 2011. Ms. Hackedorn served as our Vice President, Government, Public Affairs and Land from September 2010 until October 2011. From April 2006 until September 2010, Ms. Hackedorn served as our Vice President, Land. Ms. Hackedorn has over 29 years of experience in the oil and gas industry. Prior to joining Cobalt, from 2001 to 2006, Ms. Hackedorn served as Senior Landman at Hydro Gulf of Mexico, L.L.C., formerly Spinnaker Exploration Company, L.L.C., an oil and gas exploration and production company, handling a variety of land functions within both the shelf and deepwater areas of the Gulf of Mexico. From 1998 to 2001, Ms. Hackedorn held management positions within the offshore Gulf of Mexico regions of Sonat Exploration GOM, Inc. and El Paso Production GOM, Inc., both oil and gas exploration and production companies. From 1994 to 1998, Ms. Hackedorn was a Landman with Zilkha Energy Company, also an oil and gas exploration and production company. Ms. Hackedorn began her career as a Landman in 1984 at ARCO Oil and Gas Company, where she worked in the onshore South Texas region from 1984 until 1990, and then in the offshore Gulf of Mexico region from 1990 until 1994. Ms. Hackedorn currently also serves on the board of directors of National Ocean Industries Association. Ms. Hackedorn earned her Bachelor of Science in Petroleum Land Management from the University of Houston, graduating Magna Cum Laude.

Item 1A. *Risk Factors*

You should consider and read carefully all of the risks and uncertainties described below, together with all of the other information contained in this Annual Report on Form 10-K, including the consolidated financial statements and the related notes appearing at the end of this Annual Report on Form 10-K. If any of the following risks actually occurs, our business, business prospects, stock price, financial condition, results of operations or cash flows could be materially adversely affected. The risks below are not the only ones facing our company. Additional risks not currently known to us or that we currently deem immaterial may also adversely affect us. This Annual Report on Form 10-K also contains forward-looking statements, estimates and projections that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of specific factors, including the risks described below.

Risks Relating to Our Business

Failure to effectively execute our appraisal and development projects could result in significant delays and/or cost over-runs, including the delay of any future production, which could negatively impact our operating results, liquidity and financial position.

We currently have an extensive inventory of appraisal and development projects including Heidelberg, Shenandoah, North Platte, and Cameia, all of which are in the early stages of the project development life-cycle, except for our Heidelberg project. We also have made discoveries at Mavinga, Lontra, Bicuar, Orca and Diaman, which are in various stages of evaluation. Our development projects and discoveries will require substantial additional evaluation and analysis, including appraisal drilling and the expenditure of substantial amounts of capital, prior to preparing a development plan and seeking formal project sanction. First production from these development projects and discoveries is not expected for several years. All of our development projects and discoveries are located in challenging deepwater environments and, given the magnitude and scale of the initial discoveries, will entail significant technical and financial challenges, including extensive subsea tiebacks to an FPSO or production platform, pressure maintenance systems, gas re-injection systems, and other specialized infrastructure. This may include the advancement of technology and equipment necessary to withstand the higher pressures associated with producing oil and gas from Inboard Lower Tertiary horizons.

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This level of development activity and complexity requires significant effort from our management and technical personnel and places additional requirements on our financial resources and internal financial controls. In addition, we have increased dependency on third-party technology and service providers and other supply chain participants for these complex projects. We may not be able to fully execute these projects due to:

- inability to obtain sufficient and timely financing;
- inability to attract and/or retain sufficient quantity of personnel with the skills required to bring these complex projects to production on schedule and on budget;
- significant delays in delivery of essential items or performance of services, cost overruns, supplier insolvency, or other critical supply failure could adversely affect project development;
- inability to advance certain technologies;
- lack of partner or government approval for projects;
- civil disturbances, anti-development activities, legal challenges or other interruptions which could prevent access; and
- drilling hazards or accidents or natural disasters.

We may not be able to compensate for, or fully mitigate, these risks.

We have limited proved reserves and areas that we decide to drill may not yield hydrocarbons in commercial quantities or quality, or at all.

We have limited proved reserves and our exploration portfolio consists of identified yet unproven exploration prospects based on available seismic and geological information that indicates the potential presence of hydrocarbons. The exploration, appraisal and development wells we drill may not yield hydrocarbons in commercial quantities or quality, or at all. Our current appraisal and development projects and exploration prospects are in various stages of evaluation that will require substantial additional analysis and interpretation. Even when properly used and interpreted, 2-D and 3-D seismic data and visualization techniques are only tools used to assist geoscientists in identifying subsurface structures and hydrocarbon indicators and do not enable the interpreter to know whether hydrocarbons are, in fact, present in those structures. Exploration wells have been drilled on a limited number of our exploration prospects. In addition, we have drilled a limited number of appraisal wells on our development projects. Undue reliance should not be placed on our limited drilling results or any estimates of the characteristics of our projects or prospects, including any derived calculations of our potential resources or reserves based on these limited results and estimates. Additional appraisal wells, other testing and production data from completed wells will be required to fully appraise our discoveries, to better estimate their characteristics and potential resources and reserves and to ultimately understand their commerciality and economic viability. Accordingly, we do not know how many of our development projects, discoveries or exploration prospects will contain hydrocarbons in sufficient quantities or quality to recover drilling and completion costs or to be economically viable. Even if hydrocarbons are found on our exploration prospects in commercial quantities, construction costs of oil pipelines or FPSO systems, as applicable, and transportation costs may prevent such prospects from being economically viable development projects. We will require various regulatory approvals in order to develop and produce from any of our discoveries, which may not be forthcoming or may be delayed.

Additionally, the analogies drawn by us from available data from other wells, more fully explored prospects or producing fields may not prove valid in respect of our drilling prospects. We may terminate our drilling program for a prospect if data, information, studies and previous reports indicate that the possible development of our prospect is not commercially viable and, therefore, does not merit

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further investment. If a significant number of our prospects do not prove to be successful, our business, financial condition and results of operations will be materially adversely affected.

To date, there has been limited exploration, appraisal and development drilling which has targeted the pre-salt horizon in the deepwater offshore West Africa and the Inboard Lower Tertiary trend in the deepwater U.S. Gulf of Mexico, areas in which we intend to focus a substantial amount of our exploration and development efforts.

Our business plan requires substantial additional capital, which we may be unable to raise on acceptable terms in the future, which may in turn limit our ability to execute our development projects and achieve production, conduct exploration activities or renew our exploration portfolio.

We do not currently generate any revenue from operations. We expect our capital outlays and operating expenditures to increase substantially over at least the next several years as we expand our operations. Developing major offshore oil and gas projects, especially in complex and challenging environments, continuing exploration activities and obtaining additional leases or concessional licenses and seismic data are very expensive, and we expect that we will need to raise substantial additional capital, through future private or public equity offerings, asset sales, strategic alliances or debt or project financing, before we generate any revenue from operations.

Our future capital requirements will depend on many factors, including:

- the scope, rate of progress and cost of our project appraisal and development activities;
- the scope, rate of progress and cost of our exploration activities;
- the success of our exploration activities;
- the extent to which we invest in additional oil leases or concessional licenses;
- oil and natural gas prices;
- our ability to locate and acquire hydrocarbon reserves;
- our ability to produce oil or natural gas from those reserves;
- our ability to attract and retain adequate personnel;
- our ability to meet the timelines for development set forth in our license agreements;
- the terms and timing of any drilling and other production-related arrangements that we may enter into;
- the timing of partner and governmental approvals and/or concessions; and
- the effects of competition by other companies operating in the oil and gas industry.

While we believe our operations will be adequately funded at current working interests through at least mid-2015, we do not currently have any commitments for future external funding and we do not expect to generate any revenue from production for several years. Additional financing may not be available on favorable terms, or at all. Even if we succeed in selling additional securities to raise funds, at such time the ownership percentage of our existing stockholders could be diluted, and new investors may demand rights, preferences or privileges senior to those of existing stockholders. If we raise additional capital through debt financing, the financing may involve covenants that restrict our business activities. If we choose to farm-out interests in our leases or licenses, we would dilute our ownership interest subject to the farm-out and any potential value resulting therefrom, and we may lose operating control over such prospects.

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In order to protect our exploration and production rights in our license areas, we must meet various drilling and declaration requirements. Assuming we are able to commence exploration and production activities or successfully exploit our properties during the primary license term, our licenses over the developed areas of a prospect could extend beyond the primary term, generally for the life of production. However, unless we make and declare discoveries within certain time periods specified in the documents governing our licenses, our interests in either the undeveloped parts of our license areas (as is the case in Angola and Gabon) or the whole block (as is the case in the deepwater U.S. Gulf of Mexico) may be forfeited, we may be subject to significant penalties or be required to make additional payments in order to maintain such licenses. The costs to maintain licenses may fluctuate and may increase significantly since the original term, and we may not be able to renew or extend such licenses on commercially reasonable terms or at all. If we are not successful in raising additional capital, we may be unable to execute our development projects, continue our exploration activities or successfully exploit our properties, and we may lose the rights to develop these properties upon the expiration of our licenses.

Our discoveries and appraisal and development projects remain subject to varying degrees of additional evaluation, analysis and partner and regulatory approvals prior to official project sanction and production.

Our use of the term "development project" in this Annual Report on Form 10-K in relation to our appraisal and development activities refers to our Heidelberg, Shenandoah, North Platte and Cameia projects. Our use of the term "discoveries" in this Annual Report on Form 10-K in relation to our exploration efforts refers to our existing discoveries: North Platte, Heidelberg, Shenandoah, Cameia, Mavinga, Lontra, Bicuar, Orca and Diaman and is not intended to refer to (i) our exploration portfolio as a whole, (ii) prospects where drilling activities have not discovered hydrocarbons or (iii) our undrilled exploration prospects. A discovery made by the initial exploration well on a prospect does not ensure that we will ultimately develop or produce hydrocarbons from such prospect or that a development project will be economically viable or successful. Following a discovery by an initial exploration well, substantial additional evaluation, analysis, expenditure of capital and partner and regulatory approvals will need to be performed and obtained prior to official project sanction and development, which may include (i) the drilling of appraisal wells, (ii) the evaluation and analysis of well logs, reservoir core samples, fluid samples and the results of production tests from both exploration and appraisal wells, and (iii) the preparation of a development plan which includes economic assumptions on the costs of drilling development wells, and the construction or leasing of offshore production facilities and transportation infrastructure. Regulatory approvals are also required to proceed with certain development plans. Relatively more testing and evaluation of our exploration, appraisal and development wells will be required for our projects and discoveries offshore West Africa than our projects in the U.S. Gulf of Mexico given the limited amount of drilling that has taken place in pre-salt horizons offshore West Africa. Any of the foregoing steps of evaluation and analysis may render a particular development project uneconomic, and we may ultimately decide to abandon the project, despite the fact that the initial exploration well, or subsequent appraisal wells, discovered hydrocarbons. We may not be successful in obtaining partner or regulatory approvals to develop a particular discovery, which could prevent us from proceeding with development and ultimately producing hydrocarbons from such discovery, even if we believe a development would be economically successful.

We are a development stage enterprise and our future performance is uncertain.

We are a development stage enterprise and will continue to be so until commencement of substantial production from our properties, which will depend upon our ability to execute the appraisal and development of our projects and progress our projects through the project appraisal and development life-cycle, including the approval of development plans, obtaining formal project sanction, achieving successful appraisal and development drilling results and constructing or leasing production

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facilities and related subsea infrastructure. Our ability to commence production will also depend upon us being able to obtain substantial additional capital funding on a timely basis and attract and retain adequate personnel. We do not expect to commence production for at least several years, and therefore we do not expect to generate any revenue from production for a long time. Companies in their initial stages of development face substantial business and financial risks and may suffer significant losses. We have generated substantial net losses and negative cash flows from operating activities since our inception and expect to continue to incur substantial net losses as we continue our project appraisal and development activities, our exploration drilling program and our new venture activities. We face challenges and uncertainties in financial and commercial planning as a result of the complex nature of our business, the unavailability of historical data (particularly offshore West Africa) and uncertainties regarding the nature, scope and results of our future activities and financial commitments. In the event that our appraisal, development or exploration drilling schedules are not completed, or are delayed, modified or terminated, our operating results will be adversely affected and our operations will differ materially from the activities described in this Annual Report on Form 10-K. As a result of industry factors or factors relating specifically to us, we may have to change our methods of conducting business, which may cause a material adverse effect on our results of operations and financial condition.

Drilling wells is speculative, often involving significant costs that may be more than our estimates, and may not result in any discoveries or additions to our future production or reserves. Any material inaccuracies in drilling costs, estimates or underlying assumptions will materially affect our business.

Exploring for and developing oil reserves involves a high degree of operational and financial risk, which precludes definitive statements as to the time required and costs involved in reaching certain objectives. The budgeted costs of drilling, completing and operating exploration, appraisal and development wells are often exceeded and can increase significantly when drilling costs rise due to a tightening in the supply of various types of oilfield equipment and related services. Drilling may be unsuccessful for many reasons, including geological conditions, weather, cost overruns, equipment shortages and mechanical difficulties. Exploration wells bear a much greater risk of financial loss than development wells. In the past we have experienced unsuccessful drilling efforts. Moreover, the successful drilling of an oil well does not necessarily result in a profit on investment. A variety of factors, both geological and market-related, can cause a well or an entire development project to become uneconomic or only marginally economic. Our initial drilling sites, and any potential additional sites that may be developed, require significant additional exploration and development, regulatory approval and commitments of resources prior to commercial development. We face additional risks in the Inboard Lower Tertiary Trend in the U.S. Gulf of Mexico and offshore Angola and Gabon due to a general lack of infrastructure and, in the case of offshore Angola and Gabon, underdeveloped oil and gas industries and increased transportation expenses due to geographic remoteness. Thus, this may require either a single well to be exceptionally productive, or the existence of multiple successful wells, to allow for the development of a commercially viable field. If our actual drilling and development costs are significantly more than our estimated costs, we may not be able to continue our business operations as proposed and would be forced to modify our plan of operation.

We contract with third parties to conduct drilling and related services on our development projects and exploration prospects for us. Such third parties may not perform the services they provide us on schedule or within budget. Furthermore, the drilling equipment, facilities and infrastructure owned and operated by the third parties we contract with is highly complex and subject to malfunction and breakdown. Any malfunctions or breakdowns may be outside our control and result in delays, which could be substantial. Any delays in our drilling campaign caused by equipment, facility or equipment malfunction or breakdown could materially increase our costs of drilling and cause an adverse effect on our business, financial position and results of operations.

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Our proved reserves are estimates. Any material inaccuracies in our reserves estimates or assumptions underlying our reserves estimates could cause the quantities and net present value of our reserves to be overstated or understated.

There are numerous uncertainties inherent in estimating oil and natural gas reserves and their value. Reservoir engineering is a subjective process of estimating underground accumulations of crude oil and natural gas that cannot be measured in an exact manner. Because of the high degree of judgment involved, the accuracy of any reserve estimate is inherently imprecise, and a function of the quality of available data and the engineering and geological interpretation. Our reserves estimates are based on 12-month average prices; therefore, reserves quantities will change when actual prices increase or decrease. In addition, results of drilling, testing, and production may substantially change the reserve estimates for a given reservoir over time. The estimates of our proved reserves and estimated future net revenues also depend on a number of factors and assumptions that may vary considerably from actual results, including:

- historical production from an area compared with production from similar producing areas;
- assumed effects of regulation by governmental agencies and court rulings;
- assumptions concerning future oil and natural-gas prices, future operating costs and capital expenditures;
- estimates of future severance and excise taxes, workover costs, and remedial costs;

For these reasons, estimates of the economically recoverable quantities of oil and natural gas attributable to any particular group of properties, classifications of those reserves and estimates of the future net cash flows expected from them prepared by different engineers or by the same engineers but at different times may vary substantially. Accordingly, reserves estimates may be subject to upward or downward adjustment, and actual production, revenue and expenditures with respect to our reserves likely will vary, possibly materially, from estimates. Additionally, because our reserves estimates are calculated using volumetric analysis, those estimates are less reliable than the estimates based on a lengthy production history. Volumetric analysis involves estimating the volume of a reservoir based on the net feet of pay of the structure and an estimation of the area covered by the structure. In addition, realization or recognition of proved undeveloped reserves will depend on our development schedule and plans. A change in future development plans for proved undeveloped reserves could cause the discontinuation of the classification of these reserves as proved.

Development drilling may not result in commercially productive quantities of oil and gas reserves.

Our exploration success has provided us with a number of major development projects on which we are moving forward. We must successfully execute our development projects, including development drilling, in order to generate future production and cash flow. However, development drilling is not always successful and the profitability of development projects may change over time.

For example, in new development projects available data may not allow us to completely know the extent of the reservoir or choose the best locations for drilling development wells. Therefore, a development well we drill may be a dry hole or result in noncommercial quantities of hydrocarbons. Projects in frontier areas may require the development of special technology for development drilling or well completion and we may not have the knowledge or expertise in applying new technology. Our efforts may result in a dry hole or a well that finds noncommercial quantities of hydrocarbons. All costs of development drilling and other development activities are capitalized, even if the activities do not result in commercially productive quantities of hydrocarbon reserves. This puts a property at higher risk for future impairment if commodity prices decrease or operating or development costs increase.

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Our drilling plans are scheduled out over several years, making them susceptible to uncertainties that could materially alter the occurrence or timing of drilling.

Our drilling plans on our acreage are scheduled our over a multi-year period. Our drilling plans depend on a number of factors, including the availability of capital and equipment, qualified personnel, seasonal conditions, regulatory approvals, oil prices, costs and drilling results. The final determination on whether to drill any exploration, appraisal, or development well, including the exact drilling location, will be dependent upon the factors described elsewhere in this Annual Report on Form 10-K as well as, to some degree, the results of our drilling activities. Because of these uncertainties, we do not know if the drilling locations we have identified or targeted will be drilled in the location we currently anticipate, within our expected timeframe or at all or if we will be able to economically produce oil or gas from these or any other potential drilling locations. As such, our actual drilling plans and locations may be materially different from our current expectations, which could adversely affect our results of operations and financial condition.

We are not, and may not be in the future, the operator on all of our acreage, and do not, and may not in the future, hold all of the working interests in our acreage. Therefore, we will not be able to control the timing of exploration or development efforts, associated costs, or the rate of production of any non-operated and to an extent, any non-wholly owned, assets.

Currently, we are not the operator on approximately 15% of our deepwater U.S. Gulf of Mexico blocks, and we are not the operator on the Diaba Block offshore Gabon. As we carry out our exploration and development programs, we may enter into arrangements with respect to existing or future prospects that result in a greater proportion of our prospects being operated by others. In addition, the terms of our current or future licenses or leases may require at least the majority of working interests to approve certain actions. As a result, we may have limited ability to exercise influence over the operations of the prospects operated by our partners or which are not wholly-owned by us, as the case may be. Dependence on the operator or our partners could prevent us from realizing our target returns for those prospects. Further, it may be difficult for us to minimize the cycle time between discovery and initial production with respect to prospects for which we do not operate or wholly-own. The success and timing of exploration and development activities operated by our partners will depend on a number of factors that will be largely outside of our control, including:

- the timing and amount of capital expenditures;
- the operator's expertise and financial resources;
- partner, government and regulatory approvals;
- selection of technology; and
- the rate of production of reserves, if any.

Furthermore, even though we are the operator of Blocks 9, 20 and 21 offshore Angola, we are required to obtain the prior approval of Sonangol for most of our operational activities. This limited ability to exercise control over the operations of some of our prospects may cause a material adverse effect on our results of operations and financial condition.

The inability of one or more third parties who contract with us to meet their obligations to us may adversely affect our financial results.

We may be liable for certain costs if third parties who contract with us are unable to meet their commitments under such agreements. We are currently exposed to credit risk through joint interest receivables from our block and/or lease partners. As a result of our exploration success, we have a large inventory of development projects which will require significant capital expenditures and have

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long development cycle times. Our partners, both in the U.S. Gulf of Mexico and West Africa, must be able to fund their share of investment costs through the lengthy development cycle, through cash flow from operations, external credit facilities, or other sources, including project financing arrangements. Our partners may not be successful in obtaining such financing, which could negatively impact the progress and timeline for development. In addition to project development costs, our partners must also be able to fund their share of exploration and other operating expenses. If any of our partners in the blocks or leases in which we hold interests are unable to fund their share of the exploration and development expenses, we may be liable for such costs. In addition, if any of the service providers we contract with to conduct development or exploration activities file for bankruptcy or are otherwise unable to fulfill their obligations to us, we may face increased costs and delays in locating replacement vendors. The inability or failure of third parties we contract with to meet their obligations to us or their insolvency or liquidation may adversely affect our financial results.

We are dependent on certain members of our management and technical team and our inability to retain or recruit qualified personnel may impair our ability to grow our business.

Our investors must rely upon the ability, expertise, judgment and discretion of our management and the success of our technical team in identifying, discovering and developing oil reserves and progressing our development projects toward first production. Our performance and success are dependent, in part, upon key members of our management and technical team, and their loss or departure could be detrimental to our future success. You must be willing to rely to a significant extent on our management's discretion and judgment. The vast majority of our senior management and technical team's equity in us will vest and their employment agreements will expire prior to January 1, 2015. In addition, a significant portion of our employee base is at or near retirement age. Furthermore, we utilize the services of a number of individual consultants for contractually fixed periods of time. Our inability to retain or recruit qualified personnel may impair our ability to grow our business and develop our discoveries, which could have a material adverse effect on our results of operations and financial condition, as well as on the market price of our common stock.

Under the terms of our various license agreements, we are required to drill wells and declare any discoveries in order to retain exploration and production rights and failure to do so may result in substantial license renewal costs or loss of our interests in the undeveloped parts of our license areas, which may include certain of our prospects.

In order to protect our exploration and production rights in our license areas, we must meet various drilling and declaration requirements. In general, unless we make and declare discoveries within certain time periods specified in our various license agreements and leases, our interests in the undeveloped parts of our license (as is the case in Angola and Gabon) or the whole block (as is the case in the deepwater U.S. Gulf of Mexico) areas may lapse and we may be subject to significant penalties or be required to make additional payments in order to maintain such licenses. For example, under the Block 9 RSA, we are required to drill three exploration wells within four years of the signing of the Block 9 RSA, or March 1, 2014, subject to certain extensions. Currently, we have not drilled any exploration wells on Block 9. We have applied for an extension of the initial exploration period for Block 9 to enable us to drill an exploration well on our Loengo prospect, however, this extension is currently pending approval by Sonangol and the Angola Ministry of Petroleum. If Sonangol or the Angola Ministry of Petroleum does not approve this extension, we will forfeit our acreage on Block 9 offshore Angola, impair the $2.5 million paid for our working interest in Block 9 and may have to relinquish $45.3 million that secures work program obligations on Block 9. We can make no assurances that we will receive an extension of the initial exploration period on Block 9 or what the terms of the extension might be. It is possible we will forfeit some or all of our acreage on Block 9 offshore Angola.

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Under the Block 21 RSA, in order to preserve our rights in this block, we are required to drill four exploration wells within five years of the signing of the Block 21 RSA, or March 1, 2015, subject to certain extensions. Currently, we have drilled three exploration wells on Block 21. Under the Block 20 PSC, in order to preserve our rights in the block, we will be required to drill four exploration wells within five years of the signing of the Block 20 PSC, or January 1, 2017, subject to certain extensions. Currently, we have drilled two exploration wells on Block 20.

Furthermore, as required by our license agreements, within thirty days following a successful exploration well, we are required to submit a declaration of commercial well to Sonangol. Within two years after the date of the declaration of commercial well, we must submit to Sonangol a formal declaration of commercial discovery. Within three months from the declaration of commercial discovery, we are required to submit a development plan to Sonangol and the Angola Ministry of Petroleum for review and approval. Given our exploration success, we now have five complex appraisal and development projects offshore Angola, including Cameia, Mavinga, Lontra, Orca and Bicuar, each of which we must progress through the project development life-cycle in order to comply with the deadlines outlined above. Our failure or inability to meet these deadlines could jeopardize our production rights or result in forfeiture of our production rights with respect to these projects, which would have a material adverse effect on our results of operations and financial condition, as well as on the market price of our common stock.

In addition, most of our deepwater U.S. Gulf of Mexico blocks have a 10-year primary term, expiring between 2016 and 2022. Generally, we are required to commence exploration activities or successfully exploit our properties during the primary lease term in order for these leases to extend beyond the primary lease term. Accordingly, we may not be able to drill all of the prospects we have identified on our leases or licenses prior to the expiration of their respective terms. Should the prospects we have identified under the licenses or leases currently in place yield discoveries, we cannot assure you that we will not face delays in drilling these prospects or otherwise have to relinquish these prospects. The costs to maintain licenses over such areas may fluctuate and may increase significantly since the original term, and we may not be able to renew or extend such licenses on commercially reasonable terms or at all. Our actual drilling activities may therefore materially differ from our current expectations, which could adversely affect our business. For each of our blocks and license areas, we cannot assure you that any renewals or extensions will be granted or whether any new agreements or leases will be available on commercially reasonable terms, or, in some cases, at all.

We may be subject to risks in connection with acquisitions and the integration of significant acquisitions may be difficult.

We periodically evaluate acquisitions of prospects and licenses, reserves and other strategic transactions that appear to fit within our overall business strategy. The successful acquisition of these assets requires an assessment of several factors, including:

- recoverable reserves;
- future oil and natural gas prices and their appropriate differentials;
- development and operating costs; and
- potential environmental and other liabilities.

The accuracy of these assessments is inherently uncertain. In connection with these assessments, we perform a review of the subject assets that we believe to be generally consistent with industry practices. Our review will not reveal all existing or potential problems nor will it permit us to become sufficiently familiar with the assets to fully assess their deficiencies and potential recoverable reserves. Inspections may not always be performed on every well, and environmental problems are not necessarily observable even when an inspection is undertaken. Even when problems are identified, the

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seller may be unwilling or unable to provide effective contractual protection against all or part of the problems. We may not be entitled to contractual indemnification for environmental liabilities and could acquire assets on an "as is" basis. Significant acquisitions and other strategic transactions may involve other risks, including:

- diversion of our management's attention to evaluating, negotiating and integrating significant acquisitions and strategic transactions;
- the challenge and cost of integrating acquired operations, information management and other technology systems and business cultures with those of ours while carrying on our ongoing business;
- difficulty associated with coordinating geographically separate organizations; and
- the challenge of attracting and retaining personnel associated with acquired operations.

The process of integrating operations could cause an interruption of, or loss of momentum in, the activities of our business. Members of our senior management may be required to devote considerable amounts of time to this integration process, which will decrease the time they will have to manage our business. If our senior management is not able to effectively manage the integration process, or if any significant business activities are interrupted as a result of the integration process, our business could suffer.

If we fail to realize the anticipated benefits of a significant acquisition, our results of operations may be adversely affected.

The success of a significant acquisition will depend, in part, on our ability to realize anticipated growth opportunities from combining the acquired assets or operations with those of ours. Even if a combination is successful, it may not be possible to realize the full benefits we may expect in estimated proved reserves, production volume, cost savings from operating synergies or other benefits anticipated from an acquisition or realize these benefits within the expected time frame. Anticipated benefits of an acquisition may be offset by operating losses relating to changes in commodity prices, increased interest expense associated with debt incurred or assumed in connection with the transaction, adverse changes in oil and gas industry conditions, or by risks and uncertainties relating to the exploration prospects of the combined assets or operations, or an increase in operating or other costs or other difficulties, including the assumption of environmental or other liabilities in connection with the acquisition. If we fail to realize the benefits we anticipate from an acquisition, our results of operations may be adversely affected.

A substantial or extended decline in oil and natural gas prices may adversely affect our business, financial condition and results of operations.

The price that we will receive for our oil and natural gas production will significantly affect our revenue, profitability, access to capital and future growth rate. The market price of oil and natural gas affects the valuation of our business and price of our common stock despite the fact that we currently do not produce or sell oil or natural gas. Historically, the oil and natural gas markets have been volatile and will likely continue to be volatile in the future. Oil and natural gas prices depend on numerous factors. These factors include, but are not limited to, the following:

- changes in supply and demand for oil and natural gas;
- the actions of the Organization of the Petroleum Exporting Countries;
- the price and quantity of imports of foreign oil and natural gas;
- speculation as to the future price of oil and the speculative trading of oil futures contracts;

- global economic conditions;
- political and economic conditions, including embargoes, in oil-producing countries or affecting other oil-producing activities, particularly in the Middle East, Africa, Russia and South America;
- the continued threat of terrorism and the impact of military and other action, including U.S. military operations in the Middle East;
- the level of global oil and natural gas exploration and production activity;
- the level of global oil and natural gas inventories and oil and natural gas refining capacities;
- weather conditions and other natural disasters;
- technological advances affecting energy consumption;
- domestic and foreign governmental regulations;
- proximity and capacity of oil and natural gas pipelines and other transportation facilities;
- the price and availability of competitors' supplies of oil and natural gas; and
- the price and availability of alternative fuels.

Oil and natural gas prices have fluctuated dramatically in recent times and will likely continue to be volatile in the future. Lower oil and natural gas prices may not only decrease our revenues on a per unit basis but also may reduce the amount of oil and natural gas that we can produce economically. A substantial or extended decline in oil and natural gas prices may materially and adversely affect our future business, financial condition, the market price of our common stock, results of operations, liquidity or ability to finance planned capital expenditures.

We are subject to numerous risks inherent to the exploration and production of oil and natural gas.

Oil and natural gas exploration and production activities involve many risks that a combination of experience, knowledge and careful evaluation may not be able to overcome. Our future success will depend on the success of our exploration and production activities and on the future existence of the infrastructure and technology that will allow us to take advantage of our findings. Additionally, our properties are located in deepwater, which generally increases the capital and operating costs, technical challenges and risks associated with exploration and production activities. As a result, our exploration and production activities are subject to numerous risks, including the risk that drilling will not result in commercially viable production. Our decisions to purchase, explore, develop or otherwise exploit prospects or properties will depend in part on the evaluation of seismic data through geophysical and geological analyses, production data and engineering studies, the results of which are often inconclusive or subject to varying interpretations.

Furthermore, the marketability of expected production from our prospects will also be affected by numerous factors. These factors include, but are not limited to, market fluctuations of prices, proximity, capacity and availability of pipelines, the availability of processing facilities, equipment availability and government regulations (including, without limitation, regulations relating to prices, taxes, royalties, allowable production, importing and exporting of hydrocarbons, environmental protection and climate change). The effect of these factors, individually or jointly, may result in us not receiving an adequate return on invested capital.

We are subject to drilling and other operational hazards.

The exploration and production business involves a variety of operating risks, including, but not limited to:

- blowouts, cratering and explosions;
- mechanical and equipment problems;
- uncontrolled flows or leaks of oil or well fluids, natural gas or other pollution;
- fires and gas flaring operations;
- marine hazards with respect to offshore operations;
- formations with abnormal pressures;
- pollution, other environmental risks and geological problems; and
- weather conditions and natural disasters.

These risks are particularly acute in deepwater drilling and exploration for natural resources. Any of these events could result in loss of human life, significant damage to property, environmental damage, impairment of our operations, delays in our drilling operations, increased costs and substantial losses. In accordance with customary industry practice, we expect to maintain insurance against some, but not all, of these risks and losses. We do not carry business interruption insurance. The occurrence of any of these events, whether or not covered by insurance, could have a material adverse effect on our results of operations and financial condition, as well as on the market price of our common stock.

We are members of several industry groups that provide general and specific oil spill and well containment resources in the U.S. Gulf of Mexico and offshore West Africa. Through these industry groups, as described under "Business—Containment Resources", we have contractual rights to access certain oil spill and well containment resources. We can make no assurance that these resources will perform as designed or be able to fully contain or cap any oil spill, blow-out or uncontrolled flow of hydrocarbons. Furthermore, our contracts for the use of oil spill and well containment resources contain strict indemnity provisions that generally require us to indemnify the contractor for all losses incurred as a result of assisting us in our oil spill and well containment efforts, subject to certain exceptions and limitations. In the event we experience a subsea blowout, explosion, fire, uncontrolled flow of hydrocarbons or any of the other operational risks identified above, the oil spill and well containment resources which we have contractual rights to will not prevent us from incurring losses or shield us from liability, which could be substantial and have a material adverse effect on our results of operations and financial condition, as well as on the market price of our common stock.

The high cost or unavailability of drilling rigs, equipment, personnel, oil field services and infrastructure could adversely affect our ability to execute our exploration and development plans on a timely basis and within budget.

Our industry is cyclical and, from time to time, there is a shortage of drilling rigs, equipment, supplies or qualified personnel, often during periods of higher oil prices or in emerging areas of exploration. During these periods and within these areas, the costs of drilling rigs, equipment, supplies and personnel are substantially greater and their availability may be limited. Additionally, these services may not be available on commercially reasonable terms. The high cost or unavailability of drilling rigs, equipment, supplies, personnel and other oil field services could adversely affect our ability to execute our exploration and development plans on a timely basis and within budget, which could have a material adverse effect on our business, financial condition or results of operations.

Our ability to produce hydrocarbons will depend substantially on the availability and capacity of gathering systems, pipelines and processing facilities owned and operated by third parties. Additionally, such infrastructure may not be available on commercially reasonable terms. We may be required to shut in oil wells because of the absence of a market or because access to pipelines, gathering systems or processing facilities may be limited or unavailable. If that were to occur, then we would be unable to realize revenue from those wells until arrangements were made to deliver the production to market, which could have a material adverse effect on our business, financial condition or results of operations.

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Our operations will involve special risks that could adversely affect operations.

Offshore operations are subject to a variety of operating risks specific to the marine environment, such as capsizing, collisions and damage or loss from hurricanes or other adverse weather conditions. These conditions can cause substantial damage to facilities and interrupt our operations. As a result, we could incur substantial expenses that could reduce or eliminate the funds available for exploration, development or leasehold acquisitions, or result in loss of equipment and properties.

Deepwater exploration generally involves greater operational and financial risks than exploration on the shelf. Deepwater drilling generally requires more time and more advanced drilling technologies, involving a higher risk of technological failure and usually higher drilling costs. Such risks are particularly applicable to our deepwater exploration efforts in the Inboard Lower Tertiary trend and pre-salt offshore Angola and Gabon, as there has been relatively limited drilling activity in these areas. In addition, there may be production risks of which we are currently unaware. Whether we use existing pipeline infrastructure, participate in the development of new subsea infrastructure or use floating production systems to transport oil from producing wells, if any, these operations may require substantial time for installation, or encounter mechanical difficulties and equipment failures that could result in significant cost overruns and delays. Furthermore, deepwater operations generally, and operations in the Inboard Lower Tertiary and offshore West Africa trends in particular, lack the physical and oilfield service infrastructure present on the shelf. As a result, a significant amount of time may elapse between a deepwater discovery and the marketing of the associated hydrocarbons, increasing both the financial and operational risk involved with these operations. Because of the lack and high cost of this infrastructure, reserve discoveries we make in the deepwater, if any, may never be economically producible.

Our operations in the U.S. Gulf of Mexico may be adversely impacted by tropical storms and hurricanes.

Tropical storms, hurricanes and the threat of tropical storms and hurricanes often result in the shutdown of operations in the U.S. Gulf of Mexico as well as operations within the path and the projected path of the tropical storms or hurricanes. In the future, during a shutdown period, we may be unable to access wellsites and our services may be shut down. Additionally, tropical storms or hurricanes may cause evacuation of personnel and damage to offshore drilling rigs and other equipment, which may result in suspension of our operations. The shutdowns, related evacuations and damage can create unpredictability in activity and utilization rates, as well as delays and cost overruns, which may have a material adverse effect on our results of operations and financial condition, as well as on the market price of our common stock.

The geographic concentration of our properties in the U.S. Gulf of Mexico and offshore Angola and Gabon subjects us to an increased risk of loss of revenue or curtailment of production from factors specifically affecting the U.S. Gulf of Mexico and offshore Angola and Gabon.

Our properties are concentrated in three countries: the U.S. Gulf of Mexico and offshore Angola and Gabon. Some or all of these properties could be affected should such regions experience:

- severe weather or natural disasters;
- moratoria on drilling or permitting delays;
- delays in or the inability to obtain regulatory approvals;
- delays or decreases in production;
- delays or decreases in the availability of drilling rigs and related equipment, facilities, personnel or services;

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- delays or decreases in the availability of capacity to transport, gather or process production; and/or

- changes in the regulatory, political and fiscal environment.

For example, in response to the Deepwater Horizon incident in 2010, the U.S. government and its regulatory agencies with jurisdiction over oil and gas exploration, including the DOI and the BOEM and BSEE, imposed moratoria on drilling operations, required operators to reapply for exploration plans and drilling permits and adopted extensive new regulations, which effectively had halted drilling operations in the deepwater U.S. Gulf of Mexico for a period of time. Additionally, oil and gas properties and facilities located in the U.S. Gulf of Mexico were significantly damaged by Hurricanes Katrina and Rita in 2005, which required our competitors to spend a significant amount of time and capital on inspections, repairs, debris removal, and the drilling of replacement wells. We maintain insurance coverage for only a portion of these risks. There also may be certain risks covered by insurance where the policy does not reimburse us for all of the costs related to a loss. We do not carry business interruption insurance.

Due to the concentrated nature of our portfolio of properties, a number of our properties could experience any of the same conditions at the same time, resulting in a relatively greater impact on our results of operations than they might have on other companies that have a more diversified portfolio of properties.

Regulations enacted as a result of the Deepwater Horizon drilling rig accident and resulting oil spill may have significantly increased certain of the risks we face and increased the cost of operations in the U.S. Gulf of Mexico.

On April 20, 2010, the Transocean Deepwater Horizon, a semi-submersible offshore drilling rig operating in the deepwater U.S. Gulf of Mexico under contract to BP plc exploded, burned for two days and sank, resulting in loss of life, injuries and a large oil spill. The U.S. government and its regulatory agencies with jurisdiction over oil and gas exploration, including the DOI, BOEM and BSEE, responded to this incident by imposing moratoria on drilling operations and adopting numerous new regulations and new interpretations of existing regulations regarding operations in the U.S. Gulf of Mexico. Compliance with these new regulations has increased the cost of our drilling operations in the U.S. Gulf of Mexico.

The successful execution of our U.S. Gulf of Mexico business plan depends on our ability to continue our exploration and appraisal efforts. A prolonged suspension of or delay in our drilling operations would adversely affect our business, financial position or future results of operations.

Furthermore, the Deepwater Horizon incident may have increased certain of the risks we face, including, without limitation, the following:

- increased governmental regulation and enforcement of our and our industry's operations in a number of areas, including health and safety, financial responsibility, environmental, licensing, taxation, equipment specifications and inspections and training requirements;

- increased difficulty in obtaining leases and permits to drill offshore wells, including as a result of any bans or moratoria placed on offshore drilling;

- potential legal challenges to the issuance of permits and the conducting of our operations;

- higher drilling and operating costs;

- higher royalty rates and fees on leases acquired in the future;

- higher insurance costs and increased potential liability thresholds under proposed legislation and regulations;

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- decreased partner participation in wells we operate;
- higher capital costs as a result of any increase to the risks we or our industry face; and
- less favorable investor perception of the risk-adjusted benefits of deepwater offshore drilling.

The occurrence of any of these factors, or their continuation, could have a material adverse effect on our business, financial position or future results of operations.

We face various risks associated with increased activism against oil and gas exploration and development activities.

Opposition toward oil and gas drilling and development activity has been growing globally and is particularly pronounced in the United States. Companies in the oil and gas industry are often the target of activist efforts from both individuals and non-governmental organizations regarding safety, human rights, environmental compliance, sustainability, and business practices. Anti-development activists are working to, among other things, reduce access to federal and state government lands and delay or cancel certain operations such as offshore drilling and development. For example, environmental activists have recently challenged lease sales and decisions to grant air-quality permits in the U.S. Gulf of Mexico for offshore drilling.

Future activist efforts could result in the following:

- delay or denial of drilling permits;
- shortening of lease terms or reduction in lease size;
- restrictions or delays on our ability to obtain additional seismic data;
- restrictions on installation or operation of gathering or processing facilities;
- restrictions on the use of certain operating practices;
- legal challenges or lawsuits;
- damaging publicity about us;
- increased costs of doing business;
- reduction in demand for our products; and
- other adverse effects on our ability to develop our properties.

Our need to incur costs associated with responding to these initiatives or complying with any resulting new legal or regulatory requirements resulting from these activities that are substantial and not adequately provided for, could have a material adverse effect on our business, financial condition and results of operations.

We may be exposed to liabilities under the U.S. Foreign Corrupt Practices Act, and any determination that we violated the U.S. Foreign Corrupt Practices Act could have a material adverse effect on our business.

We are subject to the U.S. Foreign Corrupt Practices Act ("FCPA") and other laws that prohibit improper payments or offers of payments to foreign governments and their officials and political parties for the purpose of obtaining or retaining business. We do business and may do additional business in the future in countries and regions in which we may face, directly or indirectly, corrupt demands by officials, tribal or insurgent organizations, or private entities. Thus, we face the risk of unauthorized payments or offers of payments by one of our employees or consultants, given that these parties may not always be subject to our control. Our existing safeguards and any future improvements may prove

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to be less than effective, and our employees and consultants may engage in conduct for which we might be held responsible.

In connection with entering into our RSAs for Blocks 9 and 21 offshore Angola, two Angolan-based E&P companies were assigned as part of the contractor group by the Angolan government. We had not worked with either of these companies in the past, and, therefore, our familiarity with these companies was limited. In the fall of 2010, we were made aware of allegations of a connection between senior Angolan government officials and one of these companies, Nazaki Oil and Gáz, S.A. ("Nazaki"), which is a full paying member of the contractor group. In March 2011, the SEC commenced an informal inquiry into these allegations. To avoid non-overlapping information requests, we voluntarily contacted the U.S. Department of Justice ("DOJ") with respect to the SEC's informal request and offered to respond to any requests the DOJ may have. Since such time, we have been complying with all requests from the SEC and DOJ with respect to their inquiry. In November 2011, a formal order of investigation was issued by the SEC related to our operations in Angola. We are fully cooperating with the SEC and DOJ investigations, have conducted an extensive investigation into these allegations and believe that our activities in Angola have complied with all laws, including the FCPA. We cannot provide any assurance regarding the duration, scope, developments in, results of or consequences of these investigations.

In the future, we may be partnered with other companies with whom we are unfamiliar. Violations of the FCPA may result in severe criminal or civil sanctions, and we may be subject to other liabilities, which could negatively affect our business, operating results and financial condition. In addition, the government may seek to hold us liable for successor liability FCPA violations committed by companies in which we invest or that we acquire.

Our operations may be adversely affected by political and economic circumstances in the countries in which we operate.

Our oil and gas exploration, development and production activities are subject to political and economic uncertainties (including but not limited to changes, sometimes frequent or marked, in energy policies or the personnel administering them), expropriation of property, cancellation or modification of contract rights, foreign exchange restrictions, currency fluctuations, royalty and tax increases and other risks arising out of governmental sovereignty over the areas in which our operations are conducted, as well as risks of loss due to civil strife, acts of war, piracy, guerrilla activities and insurrection. Some of these risks may be higher in the developing countries in which we conduct our activities, namely, Angola and Gabon.

Our operations are exposed to risks of war, local economic conditions, political disruption, civil disturbance and governmental policies that may:

- disrupt our operations;
- restrict the movement of funds or limit repatriation of profits;
- in the case of our non-U.S. operations, lead to U.S. government or international sanctions; and
- limit access to markets for periods of time.

Disruptions may occur in the future, and losses caused by these disruptions may occur that will not be covered by insurance. Consequently, our exploration, development and production activities may be substantially affected by factors which could have a material adverse effect on our financial condition and results of operations. Furthermore, in the event of a dispute arising from non-U.S. operations, we may be subject to the exclusive jurisdiction of courts outside the U.S. or may not be successful in subjecting non-U.S. persons to the jurisdiction of courts in the U.S., which could adversely affect the outcome of such dispute.

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Our operations may also be adversely affected by laws and policies of the jurisdictions, including Angola, Gabon, the United States, the Cayman Islands and other jurisdictions, in which we do business, that affect foreign trade and taxation. Changes in any of these laws or policies or the implementation thereof, could have a material adverse effect on our results of operations and financial position, as well as on the market price of our common stock.

The oil and gas industry, including the acquisition of exploration acreage worldwide, is intensely competitive.

The international oil and gas industry is highly competitive in all aspects, including the exploration for, and the development of, new sources of oil and gas. We operate in a highly competitive environment for acquiring exploration acreage and hiring and retaining trained personnel. Many of our competitors possess and employ financial, technical and personnel resources substantially greater than us, which can be particularly important in the areas in which we operate. These companies may be able to pay more for productive or prospective properties and prospects and to evaluate, bid for and purchase a greater number of properties and prospects than our financial or personnel resources permit. Furthermore, these companies may also be better able to withstand the financial pressures of unsuccessful drill attempts, delays, sustained periods of volatility in financial markets and generally adverse global and industry-wide economic conditions, and may be better able to absorb the burdens resulting from changes in relevant laws and regulations, which would adversely affect our competitive position. Our ability to acquire additional exploration prospects and to find and develop reserves in the future will depend on our ability to evaluate and select suitable properties and to consummate transactions in a highly competitive environment. Also, there is substantial competition for available capital for investment in the oil and gas industry. As a result of these and other factors, we may not be able to compete successfully in an intensely competitive industry, which could have a material adverse effect on our results of operations and financial condition, as well as on the market price of our common stock.

Participants in the oil and gas industry are subject to complex laws that can affect the cost, manner or feasibility of doing business.

Exploration and production activities in the oil and gas industry are subject to extensive local, state, federal and international regulations. We may be required to make large expenditures to comply with governmental regulations, particularly in respect of the following matters:

- licenses and leases for drilling operations;
- foreign exchange and banking;
- royalty increases, including retroactive claims;
- drilling and development bonds and social payment obligations;
- reports concerning operations;
- the spacing of wells;
- unitization of oil accumulations;
- remediation or investigation activities for environmental purposes; and
- taxation.

Under these and other laws and regulations, we could be liable for personal injuries, property damage and other types of damages for which we may not maintain insurance coverage. Failure to comply with these laws and regulations also may result in the suspension or termination of our operations and subject us to administrative, civil and criminal penalties. Moreover, these laws and regulations could change in ways that could substantially increase our costs. Any such liabilities,

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penalties, suspensions, terminations or regulatory changes could have a material adverse effect on our results of operations and financial condition, as well as on the market price of our common stock.

Angola recently enacted a new Foreign Exchange Law for the Petroleum Sector, which requires, among other things, that all foreign exchange operations be carried out through Angolan banks, that oil and gas exploration and production companies open local bank accounts in foreign currencies in order to pay local taxes and to pay for goods and services supplied by non-resident suppliers and service providers, and also that oil and gas exploration and production companies open local bank accounts in local currency in order to pay for goods and services supplied by resident suppliers and service providers. See "Business—Laws and Regulations of Angola and Gabon—Angola" for more information. As a consequence, any foreign currency proceeds we obtain from the sale of our share of oil and gas production in Angola cannot be retained in full outside Angola, as a portion of the proceeds required to settle tax liabilities and pay for local petroleum operations-related expenses must be deposited in and paid through Angolan banks. Furthermore, until we achieve oil and gas production in Angola, we will be required to convert funds into local Angolan currency and deposit such funds in local banks in order to pay for our local petroleum operations-related expenses. There can be no assurance that a liquid foreign exchange market will continue to exist in Angola or that we won't be adversely affected by foreign exchange rate fluctuations (which we may not be able to hedge against). In addition, in order to comply with this law and related regulations, we are required to assess the residency status of our vendors and contractors in Angola to determine which rules apply to each specific vendor or contractor (whether they be resident vendors and contractors or non-resident vendors and contractors). These new rules require additional compliance efforts and costs on our and other industry participants' part, and may in some cases cause delay or other issues in connection with the acquisition of or payments for goods and services. Any of these consequences could have a material adverse effect on our results of operations.

A cyber incident could result in information theft, data corruption, operational disruption, and/or financial loss.

The oil and gas industry has become increasingly dependent on digital technologies to conduct day-to-day operations including certain exploration, development and production activities. For example, software programs are used to interpret seismic data, manage drilling rigs, conduct reservoir modeling and reserves estimation, and to process and record financial and operating data.

We depend on digital technology, including information systems and related infrastructure as well as cloud application and services, to process and record financial and operating data, communicate with our employees and business partners, analyze seismic and drilling information, estimate quantities of oil and gas reserves and for many other activities related to our business. Our business partners, including vendors, service providers, purchasers of our production, and financial institutions, are also dependent on digital technology. The complexity of the technologies needed to explore for and develop oil and gas in increasingly difficult physical environments, such as below-salt deepwater, and global competition for oil and gas resources make certain information more attractive to thieves.

As dependence on digital technologies has increased, cyber incidents, including deliberate attacks or unintentional events, have also increased. A cyber-attack could include gaining unauthorized access to digital systems for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption, or result in denial-of-service on websites. For example, in 2012, a wave of network attacks impacted Saudi Arabia's oil industry and breached financial institutions in the US. Certain countries, including China, Russia and Iran, are believed to possess cyber warfare capabilities and are credited with attacks on American companies and government agencies.

Our technologies, systems, networks, and those of our business partners may become the target of cyber-attacks or information security breaches that could result in the unauthorized release, gathering,

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monitoring, misuse, loss or destruction of proprietary and other information, or other disruption of our business operations. In addition, certain cyber incidents, such as surveillance, may remain undetected for an extended period. A cyber incident involving our information systems and related infrastructure, or that of our business partners, could disrupt our business plans and negatively impact our operations. Although to date we have not experienced any cyber-attacks, there can be no assurance that we will not be the target of cyber-attacks in the future or suffer such losses related to any cyber-incident. As cyber threats continue to evolve, we may be required to expend significant additional resources to continue to modify or enhance our protective measures or to investigate and remediate any information security vulnerabilities.

We and our operations are subject to numerous environmental, health and safety regulations which may result in material liabilities and costs.

We are, and our future operations will be, subject to various international, foreign, federal, state and local environmental, health and safety laws and regulations governing, among other things, the emission and discharge of pollutants into the ground, air or water, the generation, storage, handling, use and transportation of regulated materials and the health and safety of our employees. We are required to obtain various environmental permits from governmental authorities for our operations, including drilling permits for our wells. There is a risk that we have not been or will not be at all times in complete compliance with these permits and the environmental laws and regulations to which we are subject. If we violate or fail to comply with these laws, regulations or permits, we could be fined or otherwise sanctioned by regulators, including through the revocation of our permits or the suspension or termination of our operations. If we fail to obtain permits in a timely manner or at all (due to opposition from community or environmental interest groups, governmental delays, changes in laws or the interpretation thereof or any other reasons), such failure could impede our operations, which could have a material adverse effect on our results of operations and our financial condition.

We, as the named lessee or as the designated operator under our current and future oil leases and licenses, could be held liable for all environmental, health and safety costs and liabilities arising out of our actions and omissions as well as those of our third-party contractors. To the extent we do not address these costs and liabilities or if we are otherwise in breach of our lease or license requirements, our leases or licenses could be suspended or terminated. We have contracted with and intend to continue to hire third parties to perform the majority of the drilling and other services related to our operations. There is a risk that we may contract with third parties with unsatisfactory environmental, health and safety records or that our contractors may be unwilling or unable to cover any losses associated with their acts and omissions. Accordingly, we could be held liable for all costs and liabilities arising out of the acts or omissions of our contractors, which could have a material adverse effect on our results of operations and financial condition.

As the designated operator of certain of our leases and licenses, we are required to maintain bonding or insurance coverage for certain risks relating to our operations, including environmental risks. We maintain insurance at levels that we believe are consistent with current industry practices, but we are not fully insured against all risks. Our insurance may not cover any or all environmental claims that might arise from our operations or those of our third-party contractors. If a significant accident or other event occurs and is not fully covered by our insurance, or our third-party contractors have not agreed to bear responsibility, such accident or event could have a material adverse effect on our results of operations and our financial condition. In addition, we may not be able to obtain required bonding or insurance coverage at all or in time to meet our anticipated startup schedule for each well, and if we fail to obtain this bonding or coverage, such failure could have a material adverse effect on our results of operations and financial condition.

Releases to deepwater of regulated substances are common, and under certain environmental laws, we could be held responsible for all of the costs relating to any contamination caused by us or our

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contractors, at our facilities and at any third party waste disposal sites used by us or on our behalf. These costs could be material. In addition, offshore oil exploration and production involves various hazards, including human exposure to regulated substances, including naturally occurring radioactive materials. As such, we could be held liable for any and all consequences arising out of human exposure to such substances or other damage resulting from the release of regulated substances to the environment, endangered species, property or to natural resources.

Particularly since the Deepwater Horizon event in the U.S. Gulf of Mexico in 2010, there has been an increased interest in making regulation of deepwater oil and gas exploration and production more stringent in the U.S. If adopted, certain proposals such as a significant increase or elimination of financial liability caps for economic damages, could significantly raise daily penalties for infractions and require significantly more comprehensive financial assurance requirements under OPA which could affect our results of operations and our financial condition.

In addition, we expect continued attention to climate change issues. Various countries and U.S. states and regions have agreed to regulate emissions of greenhouse gases ("GHG"), including methane (a primary component of natural gas) and carbon dioxide, a byproduct of oil and natural gas combustion. Additionally, the U.S. Congress has in the past and may in the future consider legislation requiring reductions in GHG emissions. The EPA began regulating GHG emissions from certain stationary sources on January 2, 2011 and has enacted GHG emissions standards for certain classes of vehicles. The EPA has adopted rules requiring the reporting of GHG emissions, including from certain offshore oil and natural gas production facilities on an annual basis. In addition, in accordance with the Obama Administration's June 2013 Climate Action Plan, the EPA published proposed rules in January 2014 to regulate GHG emissions from new power plants and is expected to publish proposed GHG emissions rules applicable to existing power plants by June 2014. The regulation of GHGs and the physical impacts of climate change in the areas in which we, our customers and the end-users of our products operate could adversely impact our operations and the demand for our products.

Environmental, health and safety laws are complex, change frequently and have tended to become increasingly stringent over time. Our costs of complying with current and future environmental, health and safety laws, and our liabilities arising from releases of, or exposure to, regulated substances may adversely affect our results of operations and our financial condition. See "Business—Environmental Matters and Regulation."

Non-U.S. holders of our common stock, in certain situations, could be subject to U.S. federal income tax upon the sale, exchange or other disposition of our common stock.

Our assets consist primarily of interests in U.S. oil and gas properties (which constitute U.S. real property interests for purposes of determining whether we are a U.S. real property holding corporation) and interests in non-U.S. oil and gas properties, the relative values of which at any time may be uncertain and may fluctuate significantly over time. Therefore, we may be, now or at any time while a non-U.S. investor owns our common stock, a U.S. real property holding corporation. As a result, under the Foreign Investment in Real Property Tax Act ("FIRPTA"), certain non-U.S. investors may be subject to U.S. federal income tax on gain from the disposition of shares of our common stock, in which case they would also be required to file U.S. tax returns with respect to such gain. Whether these FIRPTA provisions apply depends on the amount of our common stock that such non-U.S. investors hold and whether, at the time they dispose of their shares, our common stock is regularly traded on an established securities market (such as the New York Stock Exchange ("NYSE")) within the meaning of the applicable Treasury Regulations. So long as our common stock is listed on the NYSE, only a non-U.S. investor who has held, actually or constructively, more than 5% of our common stock may be subject to U.S. federal income tax on the disposition of our common stock under FIRPTA.

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We may incur substantial losses and become subject to liability claims as a result of future oil and natural gas operations, for which we may not have adequate insurance coverage.

Several external factors could arise which would significantly impact our ability to effectively insure our oil and natural gas exploration and development operations. Should legislation be passed to increase the minimum insurance limit of the OSFR policy required for future U.S. Gulf of Mexico oil and natural gas exploration, there is no assurance that we will be able to obtain this insurance. The insurance markets may not provide products to financially insure us against all operational risks. For instance, civil penalties for environmental pollution can be very severe and may not be insurable. For some risks, we may not obtain insurance if we believe the market price of available insurance is excessive or prohibitive relative to the risks presented. For instance, we do not purchase business interruption or wind insurance due to the market pricing.

Even when insurance is purchased, exclusions in coverage, unanticipated circumstances and potentially large indemnity obligations may have a material adverse effect on our operations and financial condition. Because third-party contractors and other service providers are used in our offshore operations, we may not realize the intended protections of worker's compensation laws in dealing with their employees. Generally, under our contracts with drilling and other oilfield service contractors, we are obligated, subject to certain exceptions and limitations, to indemnify such contractors for all claims arising out of damage to our property, injury or death to our employees and pollution emanating from the well-bore, including pollution resulting from blow-outs and uncontrolled flows of hydrocarbons.

Our level of indebtedness may increase and thereby reduce our financial flexibility.

In December 2012 we issued $1.38 billion aggregate principal amount of 2.625% convertible senior notes due 2019 (the "notes"). The notes do not contain restrictive covenants, and we may incur significant additional indebtedness in the future in order to make investments or acquisitions or to explore, appraise or develop our oil and natural gas assets. Our level of indebtedness could affect our operations in several ways, including the following:

- a significant portion or all of our cash flows, if and when generated, could be used to service our indebtedness;
- a high level of indebtedness could increase our vulnerability to general adverse economic and industry conditions;
- a high level of indebtedness may place us at a competitive disadvantage compared to our competitors that are less leveraged and therefore, may be able to take advantage of opportunities that our indebtedness could prevent us from pursuing; and
- a high level of indebtedness may impair our ability to obtain additional financing in the future for our development projects, exploration drilling program, working capital, capital expenditures, acquisitions, general corporate or other purposes.

A high level of indebtedness increases the risk that we may default on our debt obligations. Our ability to meet our debt obligations and to reduce our level of indebtedness depends on our future performance. General economic conditions, risks associated with exploring for and producing oil and natural gas, oil and natural gas prices and financial, business and other factors affect our operations and our future performance. Many of these factors are beyond our control. We may not be able to generate sufficient cash flows to pay the interest on our indebtedness and future working capital, borrowings or equity financing may not be available to pay or refinance such indebtedness. Factors that will affect our ability to raise cash through an offering of our equity securities or a refinancing of our indebtedness include financial market conditions, the value of our assets and our performance at the time we need capital.

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Conversions of the notes may adversely affect our financial condition and operating results.

Holders of notes will be entitled to convert the notes at their option at any time up until the maturity date, being December 1, 2019. If one or more holders elect to convert their notes, unless we elect to satisfy our conversion obligation by delivering solely shares of our common stock (other than cash in lieu of any fractional share), we would be required to settle a portion or all of our conversion obligation through the payment of cash, which could adversely affect our liquidity. In addition, even if holders do not elect to convert their notes, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the notes as a current rather than long-term liability, which would result in a material reduction of our net working capital.

The accounting method for convertible debt securities that may be settled in cash, such as the notes, could have a material effect on our reported financial results.

In May 2008, the Financial Accounting Standards Board, which we refer to as FASB, issued FASB Staff Position No. APB 14-1, Accounting for Convertible Debt Instruments That May Be Settled in Cash Upon Conversion (Including Partial Cash Settlement), which has subsequently been codified as Accounting Standards Codification 470-20, Debt with Conversion and Other Options, which we refer to as ASC 470-20. Under ASC 470-20, an entity must separately account for the liability and equity components of the convertible debt instruments (such as the notes) that may be settled entirely or partially in cash upon conversion in a manner that reflects the issuer's economic interest cost. The effect of ASC 470-20 on the accounting for the notes is that the equity component is required to be included in the additional paid-in capital section of stockholders' equity on our consolidated balance sheet, and the value of the equity component would be treated as original issue discount for purposes of accounting for the debt component of the notes. As a result, we will be required to record a greater amount of non-cash interest expense in current periods presented as a result of the amortization of the discounted carrying value of the notes to their face amount over the term of the notes. We will report lower net income in our financial results because ASC 470-20 will require interest to include both the current period's amortization of the debt discount and the instrument's coupon interest, which could adversely affect our reported or future financial results, the trading price of our common stock and the trading price of the notes.

In addition, convertible debt instruments like the notes that may be settled in cash, stock or a combination of cash and stock are currently accounted for utilizing the if converted method, the effect of which is that conversion will not be assumed for purposes of computing diluted earnings per share if the effect would be antidilutive. Under the if-converted method, for diluted earnings per share purposes, convertible debt is antidilutive whenever its interest, net of tax and nondiscretionary adjustments, per common share obtainable on conversion exceeds basic earnings per share. Dilutive securities that are issued during a period and dilutive convertible securities for which conversion options lapse, or for which related debt is extinguished during a period, will be included in the denominator of diluted earnings per share for the period that they were outstanding. Likewise, dilutive convertible securities converted during a period will be included in the denominator for the period prior to actual conversion. Moreover, interest charges applicable to the convertible debt will be added back to the numerator. We cannot be sure that the accounting standards in the future will continue to permit the use of the if converted method. If we are unable to use the if-converted method in accounting for the shares issuable upon conversion of the notes, then our diluted earnings per share would be reduced.

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Risks Relating to our Common Stock

Our stock price may be volatile, and investors in our common stock could incur substantial losses.

Our stock price may be volatile. The stock market in general has experienced extreme volatility that has often been unrelated to the operating performance of particular companies. The market price for our common stock may be influenced by many factors, including, but not limited to:

- to what extent our exploration wells are successful;
- the price of oil and natural gas;
- the success of our development operations, and the marketing of any oil and gas we produce;
- regulatory developments in the United States and foreign countries where we operate;
- the recruitment or departure of key personnel;
- quarterly or annual variations in our financial results or those of companies that are perceived to be similar to us;
- market conditions in the industries in which we compete and issuance of new or changed securities;
- increases in operating costs, including cost overruns associated with our exploration and development activities;
- analysts' reports or recommendations;
- the failure of securities analysts to cover our common stock or changes in financial estimates by analysts;
- the inability to meet the financial estimates of analysts who follow our common stock;
- the issuance or sale of any additional securities of ours;
- investor perception of our company and of the industry in which we compete and areas in which we operate; and
- general economic, political and market conditions.

A substantial portion of our total outstanding shares may be sold into the market at any time. This could cause the market price of our common stock to drop significantly, even if our business is doing well.

All of the shares sold in our public offerings are freely tradable without restrictions or further registration under the federal securities laws, unless purchased by our "affiliates" as that term is defined in Rule 144 under the Securities Act of 1933, as amended (the "Securities Act"). Substantially all the remaining shares of common stock are restricted securities as defined in Rule 144 under the Securities Act. Restricted securities may be sold in the U.S. public market only if registered or if they qualify for an exemption from registration, including by reason of Rules 144 or 701 under the Securities Act. All of our restricted shares are eligible for sale in the public market, subject in certain circumstances to the volume, manner of sale limitations with respect to shares held by our affiliates, and other limitations under Rule 144. Additionally, we have registered all shares of our common stock that we may issue under our employee and director benefit plans. These shares can be freely sold in the public market upon issuance, unless pursuant to their terms these stock awards have transfer restrictions attached to them. Sales of a substantial number of shares of our common stock, or the perception in the market that the holders of a large number of shares intend to sell shares, could reduce the market price of our common stock.

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Conversion of the notes may dilute the ownership interest of existing stockholders, including holders who have previously converted their notes.

The conversion of some or all of the notes may dilute the ownership interests of existing stockholders. Any sales in the public market of any shares of our common stock issuable upon such conversion could adversely affect prevailing market prices of our common stock. In addition, the anticipated conversion of the notes into shares of our common stock or a combination of cash and shares of our common stock could depress the price of our common stock.

Holders of our common shares will be diluted if additional shares are issued.

We may issue additional shares of common stock, preferred stock, warrants, rights, units and debt securities for general corporate purposes, including, but not limited to, repayment or refinancing of borrowings, working capital, capital expenditures, investments and acquisitions. We may issue additional shares of common stock in connection with complementary or strategic acquisitions of assets or businesses. We also issue restricted stock to our executive officers, employees and independent directors as part of their compensation. If we issue additional shares of common stock in the future, it may have a dilutive effect on our current outstanding stockholders.

Ownership of our capital stock is concentrated among our largest stockholders and their affiliates.

Our former financial sponsors collectively own approximately 26% of our outstanding common stock. These stockholders have influence over all matters that require approval by our stockholders, including the election of directors and approval of significant corporate transactions. This concentration of ownership may limit your ability to influence corporate matters, and as a result, actions may be taken that you may not view as beneficial. Furthermore, these stockholders may sell their shares of common stock at any time. Such sales could be substantial and adversely affect the market price of our common stock.

Provisions of our certificate of incorporation and by-laws could discourage potential acquisition proposals and could deter or prevent a change in control.

Some provisions in our certificate of incorporation and by-laws, as well as Delaware statutes, may have the effect of delaying, deferring or preventing a change in control. These provisions, including those providing for the possible issuance of shares of our preferred stock and the right of the board of directors to amend the by-laws, may make it more difficult for other persons, without the approval of our board of directors, to make a tender offer or otherwise acquire a substantial number of shares of our common stock or to launch other takeover attempts that a stockholder might consider to be in his or her best interest. These provisions could limit the price that some investors might be willing to pay in the future for shares of our common stock.

Provisions of the notes could discourage an acquisition of us by a third party.

Certain provisions of the notes could make it more difficult or more expensive for a third party to acquire us, or may even prevent a third party from acquiring us. For example, upon the occurrence of a fundamental change, holders of the notes will have the right, at their option, to require us to repurchase all of their notes or any portion of the principal amount of such notes in integral multiples of $1,000. In addition, the acquisition of us by a third party could require us, under certain circumstances, to increase the conversion rate for a holder who elects to convert its notes in connection with such acquisition. By discouraging an acquisition of us by a third party, these provisions could have the effect of depriving the holders of our common stock of an opportunity to sell their common stock at a premium over prevailing market prices.

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We do not intend to pay dividends on our common shares and, consequently, your only opportunity to achieve a return on your investment is if the price of our shares appreciates.

We do not plan to declare dividends on shares of our common stock in the foreseeable future. Consequently, investors must rely on sales of their shares of common stock after price appreciation, which may never occur, as the only way to realize a return on their investment.

Item 1B. ***Unresolved Staff Comments***

Not applicable.

Item 2. ***Properties***

Please refer to the information under the captions "Business" elsewhere in this Annual Report on Form 10-K.

Item 3. ***Legal Proceedings***

We are not currently party to any legal proceedings. However, from time to time we may be subject to various lawsuits, claims and proceedings that arise in the normal course of business, including employment, commercial, environmental, safety and health matters. It is not presently possible to determine whether any such matters will have a material adverse effect on our consolidated financial position, results of operations, or liquidity.

Item 4. ***Mine Safety Disclosures***

Not applicable.

PART II

Item 5. ***Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities***

Market Information

Our common stock is traded on the NYSE under the symbol "CIE." On January 31, 2014, the last reported sale price for our common stock on NYSE was $16.37 per share. The following table sets forth, for the periods indicated, the reported high and low sale prices for our common stock on the NYSE.

	High	Low
Year ending December 31, 2014		
First Quarter (through January 31, 2014)	$ 17.65	$ 15.90
Year ended December 31, 2013		
Fourth Quarter	$ 25.31	$ 13.75
Third Quarter	30.27	24.15
Second Quarter	29.34	24.65
First Quarter	28.56	22.25
Year ended December 31, 2012		
Fourth Quarter	$ 29.45	$ 19.90
Third Quarter	28.69	20.59
Second Quarter	31.36	19.68
First Quarter	36.51	15.63

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West Africa Segment:

Oil and gas revenue. We have not yet commenced oil production in West Africa. Therefore, we did not realize any oil and gas revenue during the years ended December 31, 2013 and 2012.

Operating costs and expenses. Our operating costs and expenses for the West Africa operations consisted of the following during the years ended December 31, 2013 and 2012:

Seismic and exploration. Seismic and exploration costs decreased by approximately $3.2 million during the year ended December 31, 2013, as compared to the year ended December 31, 2012. The decrease of $3.2 million was primarily attributed to an increase of $4.7 million in seismic costs, offset by a decrease of $7.9 million in other exploration costs. During the year ended December 31, 2012, approximately $11.7 million in standby costs were incurred associated with the drilling of the Cameia #2 appraisal well as compared to $3.6 million in standby costs incurred in early 2013 associated with drilling equipment issues with the Ocean Confidence drilling rig.

Dry hole expense and impairment. Dry hole expense and impairment increased by $144.0 million during the year ended December 31, 2013, as compared to the year ended December 31, 2012. The increase is due to dry hole expense during the years ended December 31, 2013 as reflected in the following table:

	Year Ended December 31,		
	2013	2012	Increase (Decrease)
	($ in thousands)		
Dry Hole Expense[(1)]:			
Cameia #2 drill stem test	$ 81,607	$ —	$ 81,607
Diaman #1 exploration well	17,066	—	17,066
Mavinga #1 exploration well	12,520	—	12,520
Lontra #1 exploration well	32,247	—	32,247
Other Impairment:			
Obsolete inventory	571	—	571
	$ 144,011	$ —	$ 144,011

(1) The amounts listed above and charged to dry hole expense for our Lontra #1 and Mavinga #1 exploration wells only relate to the costs associated with drilling the lowest intervals beneath the pay zones. The majority of the well costs associated with our Lontra #1 and Mavinga #1 exploration wells have been capitalized as of December 31, 2013 and will remain suspended pending further evaluation of these wells. The amounts listed above for our Diaman #1 exploration well were charged to dry hole expense because this well encountered mechanical problems early in the drilling process and was re-spud as the Diaman #1B exploration well.

General and administrative. General and administrative costs increased by $8.1 million during the year ended December 31, 2013 as compared to the year ended December 31, 2012. The increase in general and administrative costs during this period was primarily attributed to a $2.1 million increase in staff related expenses in Angola, a $4.5 million increase in other office related expenses and a $1.5 million increase for contractors and consulting services incurred in support of West Africa operations during the year ended December 31, 2013.

Depreciation and amortization. Depreciation and amortization did not change significantly during the year ended December 31, 2013 as compared to the year ended December 31, 2012.

Consolidated:

Other income (expense). Other income (expense) increased by $58.2 million for the year ended December 31, 2013 as compared to the year ended December 31, 2012. The increase was primarily due

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Contractual Obligations

The following table summarizes by period the payments due for our estimated contractual obligations as of December 31, 2013:

	Payments Due By Year						
	2014	2015	2016	2017	2018	Thereafter	Total
	($ in thousands)						
Drilling Rig and Related Contracts	$ 349,000	$ 521,000	$ 295,000	$ 207,000	$ —	$ —	$ 1,372,000
Operating Leases	13,000	11,000	8,000	5,000	4,000	8,000	49,000
Lease Rentals(1)	6,000	6,000	4,000	3,000	1,000	1,000	21,000
Social Payment Obligations(2)	49,000	51,000	63,000	6,000	5,000	—	174,000
Long-term Debt Obligations(3):							
Principal	—	—	—	—	—	1,380,000	1,380,000
Interest	36,000	36,000	36,000	36,000	36,000	37,000	217,000
Total	**$ 453,000**	**$ 625,000**	**$ 406,000**	**$ 257,000**	**$ 46,000**	**$ 1,426,000**	**$ 3,213,000**

(1) Relates to the annual delay rental payments payable to the Office of Natural Resources Revenue within the U.S. Department of the Interior with respect to our U.S. Gulf of Mexico leases. These annual payments are required to maintain the leases from year to year.

(2) Includes our contractual payment obligations for social projects such as the Sonangol Research and Technology Center and academic scholarships for Angolan students that we were and are contractually obligated to pay in consideration for the Angolan government granting us the licenses to explore for and develop hydrocarbons offshore Angola. Pursuant to the terms of the RSAs for Blocks 9 and 21 and the PSC for Block 20, we are not required to pay annual rental payments to maintain the licenses from year to year.

(3) Represents principal amount of our 2.625% convertible senior notes due December 2019 and interest payable semi-annually in arrears on June 1 and December 1 of each year, beginning on June 1, 2013.

In the future, we may be party to additional contractual arrangements including arrangements listed below, which will subject us to further contractual obligations:

- credit facilities and other debt instruments;
- contracts for the lease of additional drilling rigs;
- contracts for the provision of production facilities;
- infrastructure construction contracts; and
- long term oil and gas property lease arrangements.

Off-Balance Sheet Arrangements

As of December 31, 2013, we did not have any off-balance sheet arrangements.

Critical Accounting Policies

This discussion of financial condition and results of operations is based upon the information reported in our consolidated financial statements, which have been prepared in accordance with generally accepted accounting principles in the United States. The preparation of our financial statements requires us to make assumptions and estimates that affect the reported amounts of assets,

EXHIBIT 48

THOMSON REUTERS STREETEVENTS

EDITED TRANSCRIPT

CIE - Q4 2013 Cobalt International Energy, Inc. Earnings Conference Call

EVENT DATE/TIME: FEBRUARY 27, 2014 / 4:00PM GMT

THOMSON REUTERS

CORPORATE PARTICIPANTS

Joe Bryant *Cobalt International Energy Inc - Chairman & CEO*

John Wilkirson *Cobalt International Energy Inc - CFO*

Jim Farnsworth *Cobalt International Energy Inc - Chief Exploration Officer*

Van Whitfield *Cobalt International Energy Inc - COO*

CONFERENCE CALL PARTICIPANTS

Ed Westlake *Credit Suisse - Analyst*

Evan Calio *Morgan Stanley - Analyst*

John Malone *Mizuho Securities - Analyst*

Joe Allman *JPMorgan Chase & Co. - Analyst*

Al Stanton *RBC Capital Markets - Analyst*

Ryan Todd *Deutsche Bank - Analyst*

Michael Glick *Johnson Rice & Co. - Analyst*

Richard Tullis *Capital One Southcoast, Inc. - Analyst*

PRESENTATION

Operator

Good day everyone, and welcome to Cobalt International Energy's fourth-quarter and year-end 2013 conference call. Just a reminder, today's call is being recorded. Before we get started, one housekeeping matter.

This conference call includes forward-looking statements. The risks associated with forward-looking statements have been outlined in the earnings release and in Cobalt's SEC filings, and we incorporate these by reference for this call.

At this time, for opening remarks and introduction, I would like to turn the call over to the Chairman and Chief Executive Officer of Cobalt, Mr. Joe Bryant. Please go ahead, sir.

Joe Bryant - *Cobalt International Energy Inc - Chairman & CEO*

Good morning, and thank you for joining us for Cobalt International Energy's fourth-quarter 2013 earnings and operational update call. Joining me on today's call is John Wilkirson, our Chief Financial Officer; Van Whitfield, our Chief Operations Officer; and Jim Farnsworth, our Chief Exploration Officer. I'll make a few introductory comments on our 2013 results, and will then turn the call over to hear from both John and Jim.

The fourth quarter of 2013 closed off what was indisputably the most successful year in our history. Even measured against the lofty expectations that we had for 2013, our results have exceeded our realistic goals.

I'm very proud to report that Cobalt achieved exceptional results in a number of areas, including further solidifying Cobalt's position as one of the world's preeminent exploration companies. More importantly, we achieved these results with outstanding safety and environmental performance.

Cobalt planned to drill and announce results for six wells during 2013, including five high potential exploratory wells and one significant appraisal well. The six-well program resulted in three significant new discoveries, including Mavinga, Lontra, and Diaman, and one outstanding appraisal outcome at Shenandoah, yielding an overall drill bit success rate of 67%.

Thus far in 2014, we have announced two additional significant oil discoveries in West Africa, including our Bicuar discovery and this morning's news on the successful results of our Orca #1 exploratory well in Angola Block 20. When we consider these last two discoveries, our success rate over the past twelve months climbs to 75%.

This is an astounding track record of success, given that we have drilled some of the most challenging exploratory wells in the world. Of course, we're very proud of the fact that our Lontra discovery in Angola was cited by the American Association of Petroleum Geologists as the industry's largest global discovery in 2013.

We achieved these extraordinary exploration results, while at the same time delivering best-in-class operational performance. In the Gulf of Mexico, we drilled two deep-water sub-salt wells, one of which was the deepest well ever drilled in the deep-water Gulf of Mexico. In West Africa, throughout the year we applied important learnings from previously operated wells, and significantly improved our drilling performance by cutting our drilling time nearly in half.

This operational performance improvement results in tremendous cost savings, which we believe can be repeated in future wells and development projects in both basins. Needless to say, these results were delivered, while never compromising our safety or environmental standards.

In addition to this remarkable drilling success, we also reached a milestone in 2013 by joining our partners in sanctioning our Heidelberg development and booking Cobalt's first proved reserves, which we'll be producing in 2016. When this oil and gas starts flowing, we will have achieved what many thought impossible, moving from an aspirational business plan to producing oil and gas in deep-water organically in 10 years. This is a feat that, if equaled, has few peers.

As I mentioned, we followed up our 2013 accomplishments by making two additional significant discoveries in the first two months of 2014. In January we announced our Bicuar #1A oil discovery in Block 21, offshore Angola. This discovery was particularly important because it was the first Syn-Rift discovery, a new geologic horizon that holds great potential for further pre-salt exploration.

Bicuar represented our fourth consecutive discover in Angola's Kwanza basin. In addition, this morning we followed up Bicuar's January success by announcing that our Orca #1 exploratory well in Block 20, also offshore Angola, resulted in our fifth consecutive significant discovery.

Beyond these five discoveries in Blocks 20 and 21, we have numerous exploration prospects in our Angolan inventory, as well as a number of appraisal wells that we will drill to better understand the commerciality of our discoveries. Also in Angola, we and our Block 21 partners are actively pursuing the sanction of our Cameia project in 2014. Once sanctioned, we will embark on the development of Cameia in order to achieve first production from this field as early as 2017.

In the Gulf of Mexico, our focus in 2014 will be on our outside operated exploration prospects, as well as Shenandoah appraisal drilling, and we will commence development drilling at our Heidelberg development project. Jim will have more to say on the Gulf of Mexico in a few minutes.

At Cobalt, we have always believed that maximum shareholder value is created with the exploration drill bit. Simply stated, we want to be the first to recognize new exploration plays, acquire significant acreage positions, and then proceed with detailed exploration work, which culminates in drilling exploration wells. There are no shortcuts in this process. It takes vision, confidence, and discipline to set a course for wells that will not be on the drilling schedule for several years.

While our track record speaks for itself, during 2013 we began laying the foundation for our next wave of exploration prospects that will mature towards the end of this decade. We are actively evaluating exploration opportunities around the world, which are aligned with our core strengths centered on high potential, high value, oil-focused deep-water exploration. We look forward to sharing more about these activities as they progress.

The year 2013 was also significant for our former financial sponsors. We began the year with our original sponsors owning slightly over 50% of Cobalt's outstanding common stock and as a controlled company.

During the year, the sponsors sold down their ownership positions, where they collectively now own less than 30% of our common stock, and Cobalt is no longer a controlled company. Also, in connection with this sell-down, the sponsor representation on Cobalt's Board has decreased from seven directors at the beginning of 2013, to two directors today.

I realize that the magnitude of our exploration success is a lot for our shareholders to take in and to quantify how our drilling results translate to shareholder value. We know we have to do a better job helping you understand Cobalt's underlying value. As part of this effort, we will hold our first-ever Analysts Day in June in New York, and we will be providing details of this important event shortly.

I will now turn the call over to John to update you on financials.

John Wilkirson - *Cobalt International Energy Inc - CFO*

Thank you, Joe.

Our balance sheet remains strong, with cash at year end of over $1.8 billion. The balance is higher than our expected range of $1.6 billion to $1.7 billion, primarily due to an increase of payables and accrued liabilities at year end.

As of December 31, we had approximately $1.5 billion in unrestricted cash and investments, and just over $300 million designated for future obligations held in collateral letters of credit. We expect to see $150 million of our restricted cash move to unrestricted cash by midyear, given the completion of several exploration obligation wells in Angola. In addition, and not reported on our balance sheet, are the drilling promote funds of about $88 million for our Gulf of Mexico program with TOTAL.

As announced this morning, Cobalt's fourth-quarter net loss was $222 million, or $0.55 per basic diluted share. Of this, $139 million, or $0.33 per basic diluted share, is associated with impairment charges.

$107 million relates to the GN #1 exploratory well and Gulf of Mexico prospect leases. The remainder are Angolan exploration costs associated with drilling and evaluating depths below the successful reservoirs. For the fourth quarter, our accrued capital and operating expenditures were approximately $250 million, excluding working capital charges.

Checking to 2014, we previously released our full year capital and operating expenditures forecast, which excludes working capital charges and interest of $750 million to $850 million. A slight decrease in year-over-year expenditures is consistent with our planned exploration enterprise activity.

As expected, as we progress to first oil, we will spend relatively more on appraisal and development, with one-third of our 2014 expenditures allocated to these categories. Our estimate for the first-quarter capital and operating expenditures is $190 million to $220 million.

We expect our full-year 2014 earnings to align with our cash expenditures. As in prior quarters, the primary earnings uncertainty will be the recapitalization, or expensing of the costs, following the results of individual exploration wells.

We remain focused on ensuring that Cobalt has a strong balance sheet to support our operational activities and projected growth. Given our planned exploration and development spending, our balance sheet will carry us well into 2015. However, with our preference for adequate liquidity, we will continue to evaluate high grading our portfolio, as well as monitoring the capital markets.

Spending through 2016 will be largely driven by continued exploration, alongside appraisal and selective development of our discoveries. We still expect first production and first cash flow from Heidelberg 2016, followed soon thereafter by Cameia.

I will now turn the call over to Jim.

Jim Farnsworth - *Cobalt International Energy Inc - Chief Exploration Officer*

Thanks, John.

As Joe mentioned, we are pleased to announce results in the Orca #1 well today. Based upon the extensive logging and coring that we completed, we believe that Orca to have between 400 to 700 million barrels of oil, exceeding our pre-drill estimates. We are basing our resource estimate upon the scale of the oil column, the thickness and quality of the reservoir, and the large size of the Orca structure.

At Orca, we encountered 250 feet of net oil pay, predominantly in the upper sag reservoir, and to a lesser extent, within the deeper Syn-Rift. Additionally, we identified a thin condensate and a gas zone at the crest of the upper reservoir of approximately 75 feet. It appears we may have identified oil water contacts in both the sag and Syn-Rift intervals, but further evaluation and appraisal drilling may be required to be more certain of their ultimate depths.

Regarding the well itself, operations are continuing. We have run production casing, and are preparing to flow test an interval in the upper sag section of the well. The flow test will provide us further information on reservoir characteristics, potential completion designs, and will aid us in determining the field commerciality.

Following completion of the flow tests, the well will be temporarily abandoned and we will continue our work to integrate all the data and review any additional activities required to assess Orca's commerciality. Given the scale of the discovery, it is likely that additional appraisal wells will be planned to further delineate the field and understand its production potential. We will routinely provide you updates on our appraisal activities in the future, including at this summer's Analysts Day that Joe mentioned.

Similar to Bicuar, we experienced significant operational out-performance, with the Orca well taking two months to drill to toll depth, which is about 40 days fewer than expected. We continue to see meaningful improvements in our join performance, as we apply what we've learned from our previous five wells in the basin. These improved operational performances translate into better project economics for our shareholders.

The Orca discovery is Cobalt's fifth consecutive discovery in the Angolan pre-salt, and the second on Block 20. We continue to be excited about our exploration opportunities in the basin, with more than 20 undrilled pre-salt structures on our blocks.

Following our work at Orca, we will move the Catarina rig to Cameia to spud the #3 well, the final appraisal, and the first field development well in the field. This well is being drilled to meet our schedule for first oil.

After Cameia #3, we will move the rig to one of the three exploration prospects we have already matured, either Mupa, on Block 21; Golfinho, on Block 20; or Loengo prospect on Block 9. Given our operational performance, we still expect to spud two exploration wells after Cameia #3 in 2014, with the results for the second of these wells expected in early 2015.

Shifting now to the Gulf of Mexico, our appraisal planning is continuing at full speed on both our Shenandoah and North Platte discoveries. We expect to spud the Shenandoah #3 appraisal well later this spring, and will incorporate the well results into our sanction planning.

We are currently working to advance North Platte through the appraisal phase by acquiring the industry's most advanced 3-D seismic survey, as we plan for our first North Platte appraisal well at early 2015. Our preliminary assessment of this new generation seismic is overwhelmingly positive and gives us additional confidence in North Platte's ultimate potential.

We will have a lot more to talk about to you about regarding the seismic technology and its implications on our portfolio later in the year. However, we remain very excited about the potential of our inboard lower tertiary portfolio.

Additionally, we plan to participate in at least two non-operating wells this year, including the Chevron-operated anchor prospect, which is expected to spud in early March, and the Shenandoah #3 appraisal well that I mentioned earlier. While we don't have any operated drilling in the Gulf of Mexico in 2014, we continue to be actively involved in exploration and development across the inboard lower tertiary.

I will now turn the call back to Joe.

Joe Bryant - *Cobalt International Energy Inc - Chairman & CEO*

Thanks, John and Jim. Operator, we'd now like to open the line up for any questions that our participants may have.

QUESTIONS AND ANSWERS

Operator

Thank you.

(Operator Instructions)

Our first question comes from the line of Ed Westlake from Credit Suisse. Please proceed with your question.

Ed Westlake - *Credit Suisse - Analyst*

Yes, and congratulations on the Orca results. It looks very promising.

I guess a more general question, still. You've got this 2.5 billion barrels of gross potential, or greater than 2.5, in your latest presentation. And obviously, some of that is coming from the sag and some of that may come from the syn-rift.

Can you talk a little bit about your ideas? I think you said in the remarks this morning, some imaging or re-imaging of the acreage, with I guess syn-rift targets in mind. Can you talk a little bit about your hopes for the potential of the syn-rift? Thank you.

Jim Farnsworth - *Cobalt International Energy Inc - Chief Exploration Officer*

Yes, sure, Ed. This is Jim. I think our hopes for the syn-rift is based both upon our recent success at Bicuar, and frankly, the success that we know the industry has had in the Campos basin in Brazil.

And so although we are early days of assessing the syn-rift potential, with Bicuar being the first well we've specifically targeted in the syn-rift, just about every other prospect we have that's undrilled has an element of syn-rift potential, and Orca was one of those. I was encouraged to see that we did have what looks like good oil pay and a good reservoir in the syn-rift at Orca. And I'm sure as we go forward with Orca, we're going to be looking at evaluating, through the appraisal activity, what its full potential could be.

Ed Westlake - *Credit Suisse - Analyst*

Good, good. And then on the drilling efficiency gains, shaving off 40 days, or roughly one-third. At what point are you going to be able to give us the CapEx for Cameia, which presumably will incorporate some of these savings that you have on development drilling?

Joe Bryant - *Cobalt International Energy Inc - Chairman & CEO*

This is Joe. We'll be pretty forthcoming on our views on Cameia as we approach the Analysts Day here in early summer. So we'll let you know then.

Ed Westlake - *Credit Suisse - Analyst*

Right. It's obviously going to be critical for helping us to understand the per-BOE economics that are right for some of the developments that we see in the pre-salt.

Joe Bryant - *Cobalt International Energy Inc - Chairman & CEO*

Yes, clearly.

Ed Westlake - *Credit Suisse - Analyst*

Okay. Thanks very much for your questions this morning.

Joe Bryant - *Cobalt International Energy Inc - Chairman & CEO*

Thanks, Ed.

Operator

Our next question comes from the line of Evan Calio from Morgan Stanley. Please proceed with your question.

Evan Calio - *Morgan Stanley - Analyst*

Good morning, guys, and congratulations, as well.

Joe Bryant - *Cobalt International Energy Inc - Chairman & CEO*

Good morning, Evan.

Evan Calio - *Morgan Stanley - Analyst*

My first question is on the Orca discovery and the resource estimate. Is there any color here on how much of the error in your closure you're de-risking in your 400 to 700 estimate? I'm just trying to understand how much the second penetration, the second [ballet] down to penetration is driving that resource estimate relative to Lontra? I understand they're different structures.

Joe Bryant - *Cobalt International Energy Inc - Chairman & CEO*

I understand that. The difference between Orca -- one of the differences between Orca and Lontra is, in Orca we now have two penetrations. It does help us tie down either side of the structure on the east end to the west to some degree.

In terms of what drives an upside number, is ultimately, the area under closure and the area of lowest known oil. So, future appraisal activity will be focused on really assessing the area of closure, where is the ultimate oil water contacts? Where are the ultimate oil water contacts? And then the continuity of reservoir quality that we think we're seeing at the Orca number 1 well.

Evan Calio - *Morgan Stanley - Analyst*

Okay, but no estimate on -- given these two penetrations, it's de-risked a fraction, or a quarter of the entire area under closure that you see on seismic or dimensioning on potential upside, is what I'm trying to understand.

Joe Bryant - *Cobalt International Energy Inc - Chairman & CEO*

Evan, we have really high quality seismic data over this structure, so I've got a lot of confidence. The ability of our guys to map it is quite high. So, as I said, the upside -- I'd say we have more confidence in the Orca than we do in most other structures, because we do have the two-well penetrations in it right now, and we have high quality seismic data. So future drilling will be focused on reservoir continuity across this quite large structure.

Evan Calio - *Morgan Stanley - Analyst*

Okay. And then with -- I'm thinking next steps to development. Given there's a second appraisal for Cameia, should we think that that's protocol, that we'll need to see at least two appraisal wells prior to sanction? Or, might that be past-dependent and potentially a fewer number of wells in the future that will be able to bring you to early production?

Joe Bryant - *Cobalt International Energy Inc - Chairman & CEO*

I just don't know at this point, Evan. We continue to learn about these reservoirs, as do our partners, including Sonangol. We'll just have to make good decisions as we move along.

Evan Calio - *Morgan Stanley - Analyst*

One last, if I could. It sounds like the Baleia discovery here -- can you talk about any percentages there? Or how that compares versus Lontra? And what that might be telling you about the Block and other prospects? I'll give it back, thanks.

Joe Bryant - *Cobalt International Energy Inc - Chairman & CEO*

Well, I think from my perspective, having a largely oil field reservoir indicates that the Kwanza basin is certainly an oily basin. So thus far, the Lontra experience has been an isolated one, in terms of having a sizable gas column. And certainly, we're finding, both to the east and to the south of Lontra, big oil volumes. So, I'm encouraged by that.

Evan Calio - *Morgan Stanley - Analyst*

That's great. All right, guys, look forward for your June event.

Joe Bryant - *Cobalt International Energy Inc - Chairman & CEO*

Thanks, Evan.

Operator

Our next question comes from the line of John Malone from Mizuho Securities. Please proceed with your questions.

John Malone - *Mizuho Securities - Analyst*

Yes, again, congratulations on Orca. One quick question on the float test.

What do you think the timing of that is going to be? I assume it's relatively rapid. But [you got] some data from that?

Joe Bryant - *Cobalt International Energy Inc - Chairman & CEO*

We expect to have that flow test some time in the next 30 days to 45 days. It will take us a while before we understand what that data is telling us. So I wouldn't be looking for a press release in 30 days or 45 days. We're going to get you the data when we're confident of what it says in terms of the overall reservoir.

John Malone - *Mizuho Securities - Analyst*

Okay, thanks. And then you talked about three wells that are the three potential next targets. With Loengo, that being on Block 9, that being away from the discoveries you've made thus far.

How should we think about that block different from 20 and 21? Is it the same risks that you see there? Is reservoir quality still an open question there? How do you think differently about 9 versus 20 and 21?

Jim Farnsworth - *Cobalt International Energy Inc - Chief Exploration Officer*

Let me try to take that. This is Jim.

Block 9 is a block that actually has wells in it already from back in the 1980s, and that have oil in those wells. And, in addition, there was an industry well that was drilled by Maersk just a couple years ago that sits just immediately to the west of Block 9. So it's clearly an oily trend.

And what we did was require a new 3-D survey over the block. And much to my delight, we found quite a large structure, which we think has a 250- to 500 million-barrel potential. That's what's called Loengo.

The only difference between Loengo and the other structures we've drilled thus far is that it does have a stratigraphic element of traffic. Those typically have higher risk.

So this will be the -- we drill Loengo, it's likely going to be the first or second well we would drill to test. Kind of a new concept, but within the known stratigraphy that we've been so successful in so far, and certainly in a block that we know there's oil in it.

John Malone - *Mizuho Securities - Analyst*

Okay. Thanks, Jim.

And I know you guys are not going to get to talk about how you're going to schedule those wells out. But what are the parameters in which you look at them to decide which will come up first, or which will be drilled first?

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Jim Farnsworth - *Cobalt International Energy Inc - Chief Exploration Officer*

We have work commitments in all three blocks, and we're in a really great position, that we have three, high-quality prospects in each of our blocks. So I think it's going to be mostly aligned along the lines of what work commitments do we need to fulfill first. And certainly, Block 9 and 21 are -- the expiration dates are coming up earlier than Block 20, so we'll more than likely go there first.

John Malone - *Mizuho Securities - Analyst*

Okay. Thanks a lot, guys. Congratulations.

Jim Farnsworth - *Cobalt International Energy Inc - Chief Exploration Officer*

Thank you, John.

Operator

Our next question comes from the line of Joe Allman from JPMorgan. Please proceed with your question.

Joe Allman - *JPMorgan Chase & Co. - Analyst*

Thank you. Hi, everybody.

Joe Bryant - *Cobalt International Energy Inc - Chairman & CEO*

Morning, Joe.

Joe Allman - *JPMorgan Chase & Co. - Analyst*

I have a question about the wording that you used in this press release and then also in some prior press releases. So in relation to Orca, you're saying that you want to assess the commerciality. Actually, your exact wording is to assess commerciality.

So, do you mean by that, to assess whether or not it's commercial? Or do you mean to assess the magnitude of the discovery?

Joe Bryant - *Cobalt International Energy Inc - Chairman & CEO*

Joe, I wouldn't read too much into that. What we're saying is that one well does not make a sanctioned project. And we're always pretty cautious about understanding what we see from our early wells, and before we would declare it commercial in a sense that we're going to develop it.

Obviously, we're optimistic. Clearly, we're on the right path. But at the end of the day, we have -- a lot goes into commerciality, as you well know, in deepwater, including the project cost, so that's what we'll work through. And when we make those decisions, we'll let you know.

Joe Allman - *JPMorgan Chase & Co. - Analyst*

Okay. But just to clarify what Jim said earlier. Of your five discoveries, you actually feel best about Orca at this point because of the two penetrations? Or could your just clarify that?

Jim Farnsworth - *Cobalt International Energy Inc - Chief Exploration Officer*

Obviously, if you have two wells in a reservoir versus one well, you know more about it. So it's not necessarily that I feel better about it. It's just we've got more data.

But to be clear, I feel really good about Orca. It's a good-size discovery, a big discovery.

Joe Bryant - *Cobalt International Energy Inc - Chairman & CEO*

Joe, again, let me add, keep in mind, we have two wells on Cameia, too. And what we're always testing is, are the well penetrations consistent with the seismic and the predrilled geology that Jim and his team are seeing? And it's always good to have two data points in the reservoir rather than just one. So that's all he's really getting at there.

Joe Allman - *JPMorgan Chase & Co. - Analyst*

Got you. So on Cameia, and that's one reason why I was asking. So how do you feel about Cameia now, based on the announcement you've done to date?

Van Whitfield - *Cobalt International Energy Inc - COO*

Joe, this is Van Whitfield. I think our assessment and comfort level in Cameia is as good as it's ever been. We are truly moving toward to sanction that project this year. We're very confident.

And we know that while Joe just mentioned the importance of having multiple take points, what's really going to be important is having some performance and production. And that's what we're focused on and very confident that we've got a commercial development, and that's what we're pursuing.

Joe Allman - *JPMorgan Chase & Co. - Analyst*

Okay. That's helpful. Thanks, Van. And in terms of this resource side you identify for Orca, 400 million to 700 million barrels of oil, that sag reservoir, how much of that resource is in that thicker sag reservoir?

Jim Farnsworth - *Cobalt International Energy Inc - Chief Exploration Officer*

The bulk of the resource is in the sag. The exact numbers -- probably -- I don't have it off the tip of my tongue, but the bulk is in the upper section.

Joe Allman - *JPMorgan Chase & Co. - Analyst*

Okay. But I guess, Jim, is there a significant amount in the syn-rift such that you really have to think about how to develop this thing? And how would you develop it and produce the oil from the different reservoirs?

Jim Farnsworth - *Cobalt International Energy Inc - Chief Exploration Officer*

I don't think that -- we don't quite know yet how much is in the deeper reservoir. But I don't see an issue with being any more difficult or any difficult to develop the syn-rift than it is the sag. It's the same type of rock.

Joe Bryant - *Cobalt International Energy Inc - Chairman & CEO*

Same time of oil.

Jim Farnsworth - *Cobalt International Energy Inc - Chief Exploration Officer*

Same type of oil. And the industry and we are very familiar with developing reservoirs at different levels.

Joe Allman - *JPMorgan Chase & Co. - Analyst*

So would you develop them simultaneously, or would you develop the deeper one first? And then when that depletes, go back up? Or how would you think about doing that?

Jim Farnsworth - *Cobalt International Energy Inc - Chief Exploration Officer*

It's just way too early for us to get into that yet.

Joe Allman - *JPMorgan Chase & Co. - Analyst*

Got you. All right, guys, very helpful, thank you.

Joe Bryant - *Cobalt International Energy Inc - Chairman & CEO*

Thanks, Joe.

Operator

Our next question comes from the line of Al Stanton from RBC. Please proceed with your question.

Al Stanton - *RBC Capital Markets - Analyst*

Yes, good morning, folks. Joe, I was struck by the fact that you led -- or early on, you talked about new ventures. And I'm wondering how close they should be to the front of our mind at the moment.

Because I'm struck by the fact that many of your peers haven't been enjoying considerable success in the deepwater. And they've been grumbling about costs.

I see an opportunity for you guys to look outside of Angola, particularly as you've been stressing high value. I would contest that you've enjoyed great success, but I wouldn't say barrels in Angola are high value. Are you pointing us to other salt basins, outside of the Gulf of Mexico and Angola, or am I being too presumptuous on that?

Joe Bryant - *Cobalt International Energy Inc - Chairman & CEO*

No, I think that's insightful, Al. I would say, you've heard me say many times that there's some math involved with exploration. You want to find high value barrels, and where they don't have high margin, you want to have high volumes of those barrels.

Our strategy all along in Angola and West Africa, and even in the Gulf of Mexico, was where we knew we could find very, very large volumes, we can live with lower margins. And in the Gulf of Mexico, where we may not have the super large volumes, we will live with the super high margins.

So Jim and his team are looking at our core competencies around the world in salt basins, and doing that math every day at the office. Where can we find the highest value between the combination of the margins we can see on the barrels and the volumes of the barrels involved?

We'll have a lot more to talk about at that at the Investor Day this spring. And I would say this, that our exploration machine is working. It's working as well as anybody's works, if not better. Frankly, we know what we're doing.

And we're going to use that and press that advantage with the team we have. We think they're as good as anybody's, if not better. And we're going to build a portfolio that is world class that you'll be talking to us about later in the decade.

Al Stanton - *RBC Capital Markets - Analyst*

And then, should I assume that you're leading with the drillbit rather than -- with your stock where it is in the moment, I'm assuming you wouldn't be using that as a currency for new ventures.

Joe Bryant - *Cobalt International Energy Inc - Chairman & CEO*

I think that's too early to be definitive on that. But I'm not sure I understand your question precisely. But we've always maintained a pretty strict adherence to a strong balance sheet, and we always will.

Al Stanton - *RBC Capital Markets - Analyst*

Right. Fair enough, thanks.

Operator

Our next question comes from the line of Ryan Todd with Deutsche Bank. Please proceed with your question.

Ryan Todd - *Deutsche Bank - Analyst*

Great. Good morning, gentleman. A couple -- if I could do maybe one micro and one macro question. On Orca itself, you mentioned how it exceeded your [pietro] expectations.

Can you talk a little bit about what is it that you saw in the well that was better? Was it reservoir quality, thickness, size of the structure, any of the above? And then I have one macro follow-up.

Jim Farnsworth - *Cobalt International Energy Inc - Chief Exploration Officer*

Yes, this is Jim, Ryan. I think it's all of those that you described. A deeper oil water contact or deeper lowest known oil than we might have anticipated, which then leads to a thicker oil column and high quality reservoir.

And then we could have a deeper oil water contact, that increases the size of the footprint of the field. In other words, if you push down the oil water contact, then the field expands off laterally. So, those are the elements that met that we came in on the higher side of our estimate.

Ryan Todd - *Deutsche Bank - Analyst*

And in terms of reservoir quality, is it safe to say what you've seen up in the sag interval? Is it a similar type reservoir quality as what you've seen in Lontra and Cameia, et cetera?

Jim Farnsworth - *Cobalt International Energy Inc - Chief Exploration Officer*

We think it's similar, and we also think it's similar to what we've seen and what industry has seen in the Campos Basin. So this, to me, is a dead ringer for what, we believe, is across much of the Brazilian pre-salt.

Ryan Todd - *Deutsche Bank - Analyst*

Great. And if I step back a little bit, maybe this is the kind of stuff that we'll discuss more at the analysts' meeting, or maybe it's too early then. But you have five discoveries at this point in Angola, and clearly some of those are possible tiebacks to each other.

I think it's a little more clear from our point of view what the strategy might be in terms of development and monetization of resource in the Gulf of Mexico, and Angola is clearly a bit trickier. But can you think about, if we look forward over the next two to five years, you've got a lot of resource there to develop. Can you talk a little bit about internal technical capacity team wise to develop that resource? Or how or when you might start thinking about monetizations or the development of all this resource from a broad view?

Joe Bryant - *Cobalt International Energy Inc - Chairman & CEO*

I'll jump in there. You probably did notice that we brought on additional capacity with Greg Sills, who is truly one of the industry's pre-eminent development project people, to augment our project capacity. What I don't want you to hear from us is that we have intentions to develop every single thing we find.

What we've always said is we want to have a deep portfolio of exploration opportunities that gives us a lot of exploration success, that hopefully will give us a lot of development opportunity. And that we'll pick and choose and figure out which ones are the best, that will deliver the highest value, and which ones will we let somebody else take a look at.

We're at that stage now. We couldn't have had this conversation a year ago. We're there now, in terms of internally how we think about our portfolio. But I think we'll have more to say about that as the year progresses.

Ryan Todd - *Deutsche Bank - Analyst*

Great. I appreciate the help, and congratulations, guys.

Joe Bryant - *Cobalt International Energy Inc - Chairman & CEO*

Thanks, Ryan.

Operator

Our next question comes from the line of Michael Glick from Johnson Rice. Please proceed with your questions.

Michael Glick - *Johnson Rice & Co. - Analyst*

Good morning, guys. Just a question on the quality of the oil. How has that varied as you move throughout the Kwanza Basin in different prospects in the different reservoirs?

Jim Farnsworth - *Cobalt International Energy Inc - Chief Exploration Officer*

Let me say, we don't have all the data yet on the Orca oil. But what we do know, is that it does seem to be in the mid-30s API gravity.

So in terms of how the oil condensate have varied across from field to field to field, it's actually pretty similar. All of them are on the light side of the oil range, or condensate -- or rich condensates. So far, not that much variability.

Michael Glick - *Johnson Rice & Co. - Analyst*

And then, given the inventory of discoveries you have and work commitments, can you give us some color on the thought process, with respect to potentially adding a rig in Angola?

Joe Bryant - *Cobalt International Energy Inc - Chairman & CEO*

Yes, this is Joe again. As we said, we originally thought we'd have a two-rig program out there for years to come. As you know, we dropped the Ocean Confidence. We're pleasantly surprised by the efficiency that we're not only getting out of the Catarina, but in addition to that, the drilling efficiencies we're seeing with what we've learned and we've talked to you about.

Obviously, there'll be a time here in the next several months where we'll make that decision to bring in another rig. But it takes a long time to do that, and it's not going to happen tomorrow. Lastly, on that I would say that with the industry ramping up to begin its pre-salt exploration drilling in the Kwanza Basin. We expect there will be several one-offs or fly-by rigs available to us that we can use to drill prospects on an ad hoc basis.

Michael Glick - *Johnson Rice & Co. - Analyst*

Got it. Thank you very much.

Joe Bryant - *Cobalt International Energy Inc - Chairman & CEO*

Yes, thanks, Michael.

Operator

Our next question comes from the line of Richard Tullis from Capital One. Please proceed with your question.

Richard Tullis - *Capital One Southcoast, Inc. - Analyst*

Hello, good morning, everyone. Joe, just a macro question here.

What's the climate or outlook for partial monetization of some of your recent discoveries, given some of the bigger global explorers have recently been discussing cutting back on some exploration activities? How do you think that could play into you guys looking at partially monetizing some of what you have?

Joe Bryant - *Cobalt International Energy Inc - Chairman & CEO*

Well, I can't speak for anybody else. But our strategy, again, has always been that we want big interest in big things. And to the extent there's anybody out there that's interested in our assets, we're in the book. So that's about all I can say about that.

Richard Tullis - *Capital One Southcoast, Inc. - Analyst*

Okay. And then lastly, I don't think you mentioned this, but what was the drill cost for the Orca well?

Jim Farnsworth - *Cobalt International Energy Inc - Chief Exploration Officer*

You know, quite frankly, personally, I haven't seen the number yet. We're still drilling it.

But the way I would think about it is, our spread rate there is a little over $1 million a day. And it took us a couple months to drill, so that would be about $60 million to get to TD.

Then the costs are a little bit harder to predict, because of the vast evaluation programs that we do on our wells. That's not a linear function on so many dollars per day at that point. So, I don't know what we'll end up with there. But $1 million, $1.5 million a day is probably a good average for what the spread rate is on an all-in basis.

Richard Tullis - *Capital One Southcoast, Inc. - Analyst*

Okay, that's all for me. Thank you.

Joe Bryant - *Cobalt International Energy Inc - Chairman & CEO*

You bet.

Operator

Our next question comes from the line of John Malone from Mizuho Securities. Please proceed with your questions.

John Malone - *Mizuho Securities - Analyst*

Hello, guys. Just a couple quick follow-ups.

You might have mentioned this, but on Shenandoah, when do you think you could see sanction there? I know you're not the operator, but any guidance you can give us on that?

Joe Bryant - *Cobalt International Energy Inc - Chairman & CEO*

I think that again, we're not the operator there. What I will say is we're drilling an appraisal well this year.

At the same time, the Yucatan partnership is drilling an important well on the southwest flank of Shenandoah. They're drilling that now.

That data will come in later this year. And I know that what I understand Anadarko is doing is talking about first oil towards the end of the decade. I can't back calculate when the sanction would be, but I think towards the end of the decade, they're thinking about oil from Shenandoah.

John Malone - *Mizuho Securities - Analyst*

Okay, thanks. And then one other one.

Joe, you mentioned peers coming in to the Kwanza Basin. You've got a lot of activity picking up. I know there's one well that's actually underway right now in Block 35, just north of you.

Any read-through on that well? Anything we can read from that well's success or failure and the data come out of it as to prospects on 20 and 21?

Joe Bryant - *Cobalt International Energy Inc - Chairman & CEO*

I'm not that familiar, to be honest with you, of that prospect, so it's hard for me to make that judgment call. But certainly, as an explorer, I would think they'd be happy to see and hear about our news.

John Malone - *Mizuho Securities - Analyst*

Okay, thanks, Jim.

Operator

Our next question comes from the line of Ed Westlake from Credit Suisse. Please proceed with your question.

Ed Westlake - *Credit Suisse - Analyst*

Yes, so obviously a lot of questions have been asked. Around Gabon, where are we on actually getting the new blocks actually signed up and in the bag?

Jim Farnsworth - *Cobalt International Energy Inc - Chief Exploration Officer*

Really, not much has changed on that yet, Ed. The activity this year, as we've talked in the past, is largely going to be around seismic activity on the block. We've got a large part of the block that doesn't have 3-D on it yet. And in terms of the completion of the licensing rounds, my expectation is that's going to take some time.

Ed Westlake - *Credit Suisse - Analyst*

Right, okay. And then obviously, I think there's a big lease round in the Gulf of Mexico. Presumably you guys, part of your diversification would be shopping at home?

Joe Bryant - *Cobalt International Energy Inc - Chairman & CEO*

I can assure you, we will always be looking at good opportunities in the Gulf of Mexico. And this lease sale might be one those.

Ed Westlake - *Credit Suisse - Analyst*

Okay, cool. Thanks so much.

Joe Bryant - *Cobalt International Energy Inc - Chairman & CEO*

You bet. Thanks, Ed.

Operator

I'd like to hand the call back over to Management for closing comments.

Joe Bryant - *Cobalt International Energy Inc - Chairman & CEO*

Okay, thank you, operator. I'll just summarize with a few words.

As I said, we began 2013 with four significant discoveries. Today, 14 months later, we have a deep portfolio of nine discoveries. We believe that these nine discoveries provide every reason to believe that our founding vision was spot on, and could provide great shareholder value.

Of course, this wouldn't be possible without all of your continued interest and support. So I want to thank you, not only for participating in today's call, but for the support you've given us over the past several years. Thank you very much.

Operator

Ladies and gentlemen, this does conclude today's teleconference. Thank you for your participation. You may disconnect your lines at this time, and have a wonderful day.

EXHIBIT 49

Cobalt International Energy

PRESS RELEASES

Cobalt International Energy, Inc. Announces Fourth Quarter and Year-End 2013 Results and Provides Operational Update on its West Africa Drilling Operations

HOUSTON--(BUSINESS WIRE)--Feb. 27, 2014-- Cobalt International Energy, Inc. (“Cobalt”) (NYSE:CIE) today announced a net loss of $222 million, or $0.55 per basic and diluted share for the fourth quarter of 2013, compared to a net loss of $67 million, or $0.16 per basic and diluted share, for the fourth quarter of 2012. The current quarter included $139 million, or $0.34 per share for the impairment of expenditures, including approximately $107 million associated with the Aegean #1 exploratory well, Aegean related prospect leases and other Gulf of Mexico leases, and approximately $32 million associated with exploration in Angola. Cobalt reported a net loss of $589 million, or $1.45 per basic and diluted share, for the year ending December 31, 2013 compared to a net loss of $283 million, or $0.70 per basic and diluted share, for the same period in 2012.

Capital and operating expenditures (excluding changes in working capital) for the quarter ended December 31, 2013 were approximately $249 million. Cobalt’s cash, cash equivalents and investments at year end were approximately $1.8 billion. This includes about $305 million designated for future operations held in collateralizing letters of credit, but excludes approximately $88 million in the TOTAL drilling fund for the Gulf of Mexico.

Operational Update

Cobalt provided an update on its Orca #1 deepwater pre-salt exploratory well in Block 20, offshore Angola. The well has reached total depth and has resulted in the company’s fifth consecutive pre-salt discovery in Angola’s Kwanza basin. Initial analysis indicates that Orca has a resource potential of between 400 – 700 MMBO. Results of an extensive logging, coring, and fluid acquisition program confirmed the existence of a large light oil reservoir and a thin condensate and gas cap in the upper sag section of the well. In addition, mobile oil was discovered in the deeper syn-rift section of the well. After running production casing on the well which is currently underway, further evaluation and testing will commence, after which the well will be temporarily abandoned. Over the next several months following full processing and integration of all subsurface data collected from the well, the Block 20 partners will evaluate any additional activities necessary to assess Orca’s commerciality. After well operations are complete at Orca #1, Cobalt will move the Petroserv SSV Catarina drilling rig to the Cameia #3 location in Angola Block 21.

Conference Call

A conference call for investors will be held today at 10 a.m. Central Time (11 a.m. Eastern Time) to discuss Cobalt's fourth quarter and year-end 2013 results. Hosting the call will be Joseph H. Bryant, Chairman and Chief Executive Officer, John P. Wilkirson, Chief Financial Officer and James W. Farnsworth, Chief Exploration Officer.

The call can be accessed live over the telephone by dialing (877) 705-6003, or for international callers, (201) 493-6725. A replay will be available shortly after the call and can be accessed by dialing (877) 870-5176, or for international callers, (858) 384-5517. The passcode for the replay is 13575798. The replay will be available until March 13, 2014.

Interested parties may also listen to a simultaneous webcast of the conference call by accessing the Newsroom-Events & Speeches section of Cobalt's website at www.cobaltintl.com. A replay of the webcast will also be available for approximately 30 days following the call.

About Cobalt

Cobalt is an independent exploration and production company active in the deepwater U.S. Gulf of Mexico and offshore Angola and Gabon. Cobalt was formed in 2005 and is headquartered in Houston, Texas.

Forward-Looking Statements

This press release includes "forward-looking statements" within the meaning of the safe harbor provisions of the Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 — that is, statements related to future, not past, events. Forward-looking statements are based on current expectations and include any statement that does not directly relate to a current or historical fact. In this context, forward-looking statements often address Cobalt's expected future business and financial performance, and often contain words such as "anticipate," "believe," "intend," "expect," "plan," "will" or other similar words. These forward-looking statements involve certain risks and uncertainties that ultimately may not prove to be accurate. Actual results and future events could differ materially from those anticipated in such statements. For further discussion of risks and uncertainties, individuals should refer to Cobalt's SEC filings. Cobalt undertakes no obligation and does not intend to update these forward-looking statements to reflect events or circumstances occurring after this press release, other than as required by law. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. All forward-looking statements are qualified in their entirety by this cautionary statement.

Consolidated Statement of Operations Information:

	Quarter Ending December 31,		**Year Ended December 31,**	
	2013	**2012**	**2013**	**2012**
	($ in thousands)			
Oil and gas revenue	$—	$—	$—	$—
Operating costs and expenses				
Seismic and exploration	32,783	25,901	74,213	61,583
Dry hole expense and impairment	138,852	2,365	351,050	134,085
General and administrative	37,040	35,724	105,547	87,963

Depreciation and amortization	529	415	1,874	1,197
Total operating costs and expenses	209,204	64,405	532,684	284,828
Operating income (loss)	(209,204)	(64,405)	(532,684)	(284,828)
Other income (expense)				
Gain on sale of assets	—	—	2,993	—
Interest income	1,434	1,086	6,043	5,041
Interest expense	(14,349)	(3,212)	(65,376)	(3,212)
Total other income (expense)	(12,915)	(2,126)	(56,340)	1,829
Net income (loss) before income tax	(222,119)	(66,531)	(589,024)	(282,999)
Income tax expense	—	—	—	—
Net income (loss)	$(222,119)	$(66,531)	$(589,024)	$(282,999)
Basic and diluted income (loss) per share	$(0.55)	$(0.16)	$(1.45)	$(0.70)
Weighted average common shares outstanding	406,949,828	406,583,154	406,839,997	403,356,174

Consolidated Balance Sheet Information:

	As of December 31,	
	2013	**2012**
	($ in thousands)	
Cash and cash equivalents	$192,460	$1,425,815
Short-term restricted cash	200,339	90,440
Short-term investments	1,319,380	789,668
Total current assets	1,967,443	2,456,742
Total property, plant and equipment	1,476,275	1,099,756
Long-term restricted cash	104,496	395,652
Long-term investments	14,661	36,267
Total assets	3,633,673	4,011,459
Total current liabilities	340,967	160,956
Total long-term liabilities	1,163,560	1,161,285
Total stockholders' equity (406,949,839 and 406,596,884 shares issued and outstanding as of December 31, 2013 and 2012, respectively)	2,129,146	2,689,218
Total liabilities and stockholders' equity	3,633,673	4,011,459

Consolidated Statement of Cash Flows Information:

	Year Ended December 31,	
	2013	**2012**
	($ in thousands)	
Net cash provided by (used in):		
Operating activities	$(216,368)	$(140,397)
Investing activities	(1,015,995)	(564,761)
Financing activities	(992)	1,838,427

Source: Cobalt International Energy, Inc.

Cobalt International Energy, Inc.
Investor Relations: John P. Wilkirson, Chief Financial Officer, +1 (713) 452-2322
Media Relations: Lynne L. Hackedorn, Vice President, Government and Public Affairs, +1 (713) 579-9115

EXHIBIT 50

MINISTRY OF PETROLEUM

Executive Decree No. 88/14
dated March 25

Whereas the company Alper Oil, Limitada "Alper" owns 10% (ten percent) of the participatory interest in the Risk Services Agreement [Contrato de Serviço com Risco] (CSR) of Block 21/09;

Whereas Alper has decided to assign the entirety of its participatory interest corresponding to 10% (ten percent) to Sonangol-E.P.;

Whereas Sonangol-E.P. has exercised its right of first refusal with regard to the proposal presented by Alper;

Whereas, under the terms of item 1 of Article 37 of the CSR, Sonangol-E.P. will assign all its rights, privileges, duties and obligations under the Agreement to its affiliate Sonangol Pesquisa e Produção;

According to the powers delegated by the President of the Republic, under the terms of Article 137 of the Constitution of the Republic of Angola, and item 1 of Article 16 of Law No. 10/04, dated November 12, I hereby determine that:

1. — Alper Oil is authorized to proceed with the assignment of all of its associative share corresponding to 10% (ten percent) of the Risk Services Agreement of Block 21/09 to Sonangol Pesquisa e Produção.

After assignment, the Contractor Group will have the following constitution:

Cobalt..40%
Sonangol Pesquisa e Produção..........................45%
Nazaki..15%

2. — This Executive Decree will be effective from the date of its publication.

Let it be published.

Luanda, February 26, 2014.

Minister *José Maria Botelho de Vasconcelos.*

TRANSPERFECT

City of San Francisco, State of California, County of San Francisco

I, Dominic Ledda, hereby affirm that the following is to the best of my knowledge and belief, a true and accurate Translation from Portuguese to English of the document "Ministry of Petroleum, Executive Decree No. 88/14 dated March 25".

Dominic Ledda

Sworn to before me this
June 22, 2015

Signature, Notary Public

Stamp, Notary Public

ANTHONY LOPEZ
Commission # 1974633
Notary Public - California
San Francisco County
My Comm. Expires Apr 9, 2016

Segunda-feira, 24 de Março de 2014 — I Série – N.º 56

DIÁRIO DA REPÚBLICA

ÓRGÃO OFICIAL DA REPÚBLICA DE ANGOLA

Preço deste número - Kz: 280,00

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	A 2.ª série	Kz: 145 500.00	
	A 3.ª série	Kz: 115 470.00	

SUMÁRIO

Despacho Presidencial n.º 25/14
de 25 de Março

Considerando que está inscrito no Programa de Investimentos Públicos (PIP) para o ano 2014 o Programa Nacional de Urbanização de Reservas Fundiárias, constituídas em todo o País;

Havendo necessidade da implementação da construção das infra-estruturas integradas na Reserva Fundiária de Chitato, na Província da Lunda-Norte;

O Presidente da República determina, nos termos da alínea d) do artigo 120.º e do n.º 5 do artigo 125.º, ambos da Constituição da República de Angola, o seguinte:

1.º — É aprovado o Contrato de Empreitada referente à Construção das Infra-Estruturas Urbanas da Reserva Fundiária de Chitato, na Província da Lunda-Norte, no valor global de Kz: 5.532.002.261,96 (cinco biliões, quinhentos e trinta e dois milhões, dois mil, duzentos e sessenta e um kwanzas e noventa e seis cêntimos).

2.º — É autorizado o Ministro do Urbanismo e Habitação a celebrar o Contrato acima referido com a empresa 7 CUNHAS — Construtora e Obras Públicas, Limitada.

3.º — O Ministro das Finanças deve assegurar a disponibilização dos recursos financeiros para a execução da referida empreitada.

4.º — As dúvidas e omissões resultantes da interpretação e aplicação do presente Diploma são resolvidas pelo Presidente da República.

5.º — O presente Despacho Presidencial entra em vigor na data da sua publicação.

Apreciado em Conselho de Ministros, em Luanda, aos 26 de Fevereiro de 2014.

Publique-se.

Luanda, aos 18 de Março de 2014.

O Presidente da República, José Eduardo dos Santos.

Despacho Presidencial n.º 26/14
de 25 de Março

Considerando que está inscrito no Programa de Investimentos Públicos (PIP) para o ano 2014 o Programa Nacional de Urbanização de Reservas Fundiárias, constituídas em todo o Pais;

Havendo necessidade da implementação da construção das infra-estruturas integradas na Reserva Fundiária de Catapa, na Província do Uíge;

O Presidente da República determina, nos termos da alínea d) do artigo 120.º e do n.º 5 do artigo 125.º, ambos da Constituição da República de Angola, o seguinte:

1.º — É aprovado o Contrato de Empreitada referente à Construção das Infra-Estruturas Urbanas da Reserva Fundiária de Catapa, na Província do Uíge, no valor global de Kz: 4.975.882.761,61 (quatro biliões, novecentos e setenta e cinco milhões, oitocentos e oitenta e dois mil, setecentos e sessenta e um kwanzas e sessenta e um cêntimos).

2.º — É autorizado o Ministro do Urbanismo e Habitação a celebrar o Contrato acima referido com a empresa ANGOLACA, S. A.

3.º — O Ministro das Finanças deve assegurar a disponibilização dos recursos financeiros para a execução da referida empreitada.

4.º — As dúvidas e omissões resultantes da interpretação e aplicação do presente Diploma são resolvidas pelo Presidente da República.

5.º — O presente Despacho Presidencial entra em vigor na data da sua publicação.

Apreciado em Conselho de Ministros, em Luanda, aos 26 de Fevereiro de 2014.

Publique-se.

Luanda, aos 18 de Março de 2014.

O Presidente da República, José Eduardo dos Santos.

MINISTÉRIO DOS PETRÓLEOS

Decreto Executivo n.º 88/14
de 25 de Março

Considerando que a empresa Alper Oil, Limitada «Alper» é detentora de 10% (dez por cento) de interesse participativo no Contrato de Serviço com Risco (CSR) do Bloco 21/09;

Considerando que a Alper decidiu efectuar a cessão da totalidade do seu interesse participativo correspondente a 10% (dez por cento) à Sonangol-E.P.;

Considerando que a Sonangol-E.P. exerceu o seu direito de preferência em relação à proposta apresentada pela Alper;

Considerando que, nos termos do n.º 1 do artigo 37.º do CSR, a Sonangol-E.P. irá ceder a totalidade dos seus direitos, privilégios, deveres e obrigações resultantes do Contrato à sua afiliada Sonangol Pesquisa e Produção;

Em conformidade com os poderes delegados pelo Presidente da República, nos termos do artigo 137.º da Constituição da República de Angola, e de acordo com o n.º 1 do artigo 16.º da Lei n.º 10/04, de 12 de Novembro, determino:

1.º — É a Alper Oil autorizada a proceder à cessão da totalidade da sua participação associativa correspondente a 10% (dez por cento) do Contrato de Serviço com Risco do Bloco 21/09 à Sonangol Pesquisa e Produção.

Após a cessão o Grupo empreiteiro passará a ter a seguinte constituição:

Cobalt 40%
Sonangol Pesquisa e Produção 45%
Nazaki 15%

2.º — O presente Decreto Executivo entra em vigor na data da sua publicação.

Publique-se.

Luanda, aos 26 de Fevereiro de 2014.

O Ministro, *José Maria Botelho de Vasconcelos.*

EXHIBIT 51

Executive Decree No. 89/14
dated March 25

Whereas the company Alper Oil, Limitada "Alper" owns 10% (ten percent) of the participatory interest in the Risk Services Agreement (CSR) of Block 9/09;

Whereas Alper has decided to assign the entirety of its participatory interest corresponding to 10% (ten percent) to Sonangol-E.P.;

Whereas Sonangol-E.P. has exercised its right of first refusal with regard to the proposal presented by Alper;

Whereas, under the terms of item 1 of Article 37 of the CSR, Sonangol-E.P. will assign all its rights, privileges, duties and obligations under the Agreement to its affiliate Sonangol Pesquisa e Produção;

According to the powers delegated by the President of the Republic, under the terms of Article 137 of the Constitution of the Republic of Angola, and item 1 of Article 16 of Law No. 10/04, dated November 12, I hereby determine that:

1. — Alper Oil is authorized to proceed with the assignment of all of its associative share corresponding to 10% (ten percent) of the Risk Services Agreement of Block 9/09 to Sonangol Pesquisa e Produção.

After assignment, the Contractor Group will have the following constitution:

Cobalt 40%
Sonangol Pesquisa e Produção 45%
Nazaki..15%

2. — This Executive Decree will be effective from the date of its publication.

Let it be published.

Luanda, February 26, 2014.

Minister *José Maria Botelho de Vasconcelos.*

TRANSPERFECT

City of San Francisco, State of California, County of San Francisco

I, Dominic Ledda, hereby affirm that the following is to the best of my knowledge and belief, a true and accurate Translation from Portuguese to English of the document "Ministry of Petroleum, Executive Decree No. 89/14 dated March 25".

Dominic Ledda

Sworn to before me this
June 22, 2015

Signature, Notary Public

Stamp, Notary Public

ANTHONY LOPEZ
Commission # 1974633
Notary Public - California
San Francisco County
My Comm. Expires Apr 9, 2016

Segunda-feira, 24 de Março de 2014 I Série – N.º 56

DIÁRIO DA REPÚBLICA

ÓRGÃO OFICIAL DA REPÚBLICA DE ANGOLA

Preço deste número - Kz: 280,00

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	A 2.ª série	... ... Kz: 145 500.00	
	A 3.ª série	... ... Kz: 115 470.00	

SUMÁRIO

Decreto Executivo n.º 89/14
de 25 de Março

Considerando que a empresa Alper Oil, Limitada «Alper» é detentora de 10% (dez por cento) de interesse participativo no Contrato de Serviço com Risco (CSR) do Bloco 9/09;

Considerando que a Alper decidiu efectuar a cessão da totalidade do seu interesse participativo correspondente a 10% (dez por cento) à Sonangol-E.P.;

Considerando que a Sonangol-E.P. exerceu o seu direito de preferência em relação à proposta apresentada pela Alper;

Considerando que, nos termos do n.º 1 do artigo 37.º do CSR, a Sonangol-E.P. irá ceder a totalidade dos seus direitos, privilégios, deveres e obrigações resultantes do Contrato, à sua afiliada Sonangol Pesquisa e Produção;

Em conformidade com os poderes delegados pelo Presidente da República, nos termos do artigo 137.º da Constituição da República de Angola, e de acordo com o n.º 1 do artigo 16.º da Lei n.º 10/04, de 12 de Novembro, determino:

1.º — É a Alper Oil autorizada a proceder à cessão da totalidade da sua participação associativa correspondente a 10% (dez por cento) do Contrato de Serviço com Risco do Bloco 9/09 à Sonangol Pesquisa e Produção.

Após a cessão, o Grupo empreiteiro passará a ter a seguinte constituição:

Cobalt 40%
Sonangol Pesquisa e Produção 45%
Nazaki..15%

2.º — O presente Decreto Executivo entra em vigor na data da sua publicação.

Publique-se.

Luanda, aos 26 de Fevereiro de 2014.

O Ministro, *José Maria Botelho de Vasconcelos.*

MINISTÉRIO DAS FINANÇAS

Despacho n.º 599/14
de 24 de Março

Foi publicado pelo Despacho n.º 472/14, de 28 de Fevereiro, a Lista dos Grandes Contribuintes, em cumprimento do plasmado no artigo 3.º do Estatuto dos Grandes Contribuintes, aprovado pelo Decreto Presidencial n.º 147/13, de 1 de Outubro;

Tendo em conta que existem ainda grupos económicos e empresariais fortes e dinâmicos que se enquadram nos grandes contribuintes, pelo facto de pertencerem a sectores de actividade estratégicos, de prosseguirem interesse público de destaque, ou serem empresas públicas de grande dimensão, pelo alto nível de facturação, pela elevada carga de importações, entre outros factores, mas que não se encontram na lista publicada pelo Despacho supracitado;

Havendo a necessidade de actualização da Lista dos Grandes Contribuintes, incluindo na mesma as empresas que, devendo pertencer a esta Lista, não foram incluídas na Lista dos Grandes Contribuintes, publicada pelo Despacho n.º 472/14, de 28 de Fevereiro;

Em conformidade com os poderes delegados pelo Presidente da República, nos termos do artigo 137.º da Constituição da República de Angola, e de acordo com as disposições combinadas dos n.os 1 e 4 do artigo 2.º do Decreto Presidencial n.º 6/10, de 24 de Fevereiro, da alínea d) do n.º 1 do artigo 3.º do Estatuto Orgânico do Ministério das Finanças, aprovado pelo Decreto Presidencial n.º 235/12, de 4 de Dezembro, e do n.º 1 do artigo 3.º do Estatuto dos Grandes Contribuintes, aprovado pelo Decreto Presidencial n.º 147/13, de 1 de Outubro, determino:

1. É actualizada a Lista dos Grandes Contribuintes, anexa ao presente Despacho e que dele faz parte integrante.

2. Sem prejuízo do disposto na Lista em anexo, são, por natureza, Grandes Contribuintes e, como tal, sujeitos ao disposto no Estatuto dos Grandes Contribuintes, as empresas públicas de grande dimensão, as instituições financeiras, as companhias petrolíferas e diamantíferas, bem como as empresas de telecomunicações.

3. Os Contribuintes constantes da Lista em anexo ao presente Despacho, bem como os mencionados no artigo anterior, ficam adstritos à Repartição Fiscal dos Grandes Contribuintes, devendo dirigir-se àquele serviço, no prazo de 45 dias a contar da data de publicação do presente Despacho, para efeitos de recadastramento, salvo se já procederam ao acto, por força do Despacho n.º 472/14, de 28 de Fevereiro.

4. As dúvidas e omissões resultantes da interpretação e aplicação do presente Diploma são resolvidas por Despacho do Ministro das Finanças.

5. O Presente Despacho entra em vigor na data da sua publicação.

Publique-se.

Luanda, aos 18 de Março de 2014.

O Ministro, *Armando Manuel.*

ANEXO

Lista dos Grandes Contribuintes

N/O	Contribuinte	NIF
1	AAA Seguros, S.A.R.L	5410003608
2	ABH — Ashtrom Brilho no Horizonte, Limitada	5402121320
3	ACAIL ANGOLA — Indústria e Comércio de Ferro, S.A.	5401142200
4	Acteon Angola, Limitada	5401165153
5	ACTICON — Engenharia, Limitada	5417110264
6	Adega Cooperat. de Azueira, CRL — Sucursal	5410000064
7	AFAVIAS — Engenharia e Construções, Limitada	5401161417
8	AFAVIAS — Engenharia e Construções, S.A. — Suc. em Angola	5401161611
9	AFRICONS — Sociedade de Com. G. e Imp. e Exp., Limitada	5403083804
10	Afriperfil, Limitada	5402142491

EXHIBIT 52

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PART I—FINANCIAL INFORMATION

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2014

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number: 001-34579

Cobalt International Energy, Inc.
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	**27-0821169** (I.R.S. Employer Identification No.)
Cobalt Center **920 Memorial City Way, Suite 100** **Houston, Texas** (Address of principal executive offices)	**77024** (Zip code)

(713) 579-9100
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒	Accelerated filer ☐	Non-accelerated filer ☐ (Do not check if a	Smaller reporting company ☐

smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Number of shares of the registrant's common stock outstanding at March 31, 2014: 412,478,706 shares.

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are Chevron U.S.A. Inc., as operator with a 55% working interest, Venari Resources LLC, with a 12.5% working interest, and Samson Offshore, LLC, with a 12.5% working interest.

- We acquired through a pooling of interests a 5.34% working interest in the Yucatan discovery, which is an Inboard Lower Tertiary discovery located in close proximity to our Shenandoah discovery in the U.S. Gulf of Mexico. As a result of this acquisition, we are participating as a non-operator in the Yucatan #3 appraisal well, which was spud in mid-January. We expect results from the Yucatan #3 appraisal well in the second half of 2014. Our partners include Shell Offshore Company, as operator with a 57.37% working interest, Anadarko Petroleum Corporation ("Anadarko"), with a 25% working interest, and INPEX Gulf of Mexico Co., Ltd., with a 12.29% working interest.

- On April 3, 2014, the Angola Ministry of Petroleum published Executive Decree 95/14, which granted us a two-year extension of the initial exploration phase on Block 9 offshore Angola. We expect to spud the Loengo #1 exploration well on Block 9 offshore Angola in 2014. The Loengo #1 exploration well will target pre-salt horizons in Block 9 offshore Angola, where we are the named operator with a 40% working interest. Loengo was mapped using our 3-D seismic data. Our partners in the Loengo prospect are Sonangol P&P, with a 35% working interest, Nazaki, with a 15% working interest, and Alper, with a 10% working interest.

- On March 19, 2014, we participated in the U.S. Gulf of Mexico Central Lease Sale and were the apparent high bidder on 44 of the 46 blocks upon which we submitted bids, representing a total net bid amount of approximately $28 million. Through these acquisitions, we will establish a concentrated acreage position in the Eastern portion of the Central Gulf of Mexico as well as add adjacent blocks on three of our existing prospects.

First Quarter 2014 Financial Highlights

- We recorded a net loss of approximately $56.9 million, a 56% decrease from the first quarter of 2013. Total operating expenses were approximately $47.3 million, a 58% decrease from the first quarter of 2013. The decrease in operating expenses for the three months ended March 31, 2014 was attributed primarily to $65.8 million of dry hole expense charges related to the lowest drilled interval evaluated by the Cameia #2 DST during the three months ended March 31, 2013.

- Capital and operating expenditures were approximately $177.6 million for the three months ended March 31, 2014.

- Including our existing cash and investments on hand and restricted cash as of March 31, 2014, we have approximately $1.6 billion of liquidity.

Results of Operations

We operate our business in two geographic segments: the United States and West Africa. The discussion of the results of operations and the period-to-period comparisons presented below for each operating segment and our consolidated operations analyzes our historical results. The following discussion may not be indicative of future results.

EXHIBIT 53

Number Not Used

EXHIBIT 54

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Filed Pursuant to Rule 424(b)(3)
Registration No. 333-193117

The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not offers to sell these securities and we are not soliciting offers to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED MAY 7, 2014
PRELIMINARY PROSPECTUS SUPPLEMENT

Prospectus Supplement
(To Prospectus dated December 30, 2013)

$1,000,000,000

Cobalt International Energy, Inc.

% Convertible Senior Notes due 2024

We are offering $1,000,000,000 aggregate principal amount of our % Convertible Senior Notes due 2024 (the "notes"). The notes will bear interest at a rate of % per year, payable semiannually in arrears on May 15 and November 15 of each year, beginning on November 15, 2014. The notes will mature on May 15, 2024.

Holders may convert their notes at their option at any time prior to 5:00 p.m., New York City time, on the business day immediately preceding November 15, 2023 only under the following circumstances: (1) during any fiscal quarter commencing after the fiscal quarter ending on September 30, 2014 (and only during such fiscal quarter), if the last reported sale price (as defined herein) of our common stock for at least 20 trading days (whether or not consecutive) during a 30 consecutive trading-day period ending on, and including, the last trading day of the immediately preceding fiscal quarter exceeds $30.00 (subject to adjustment as described in this prospectus supplement) on each applicable trading day, (2) during the five business-day period after any five consecutive trading-day period (the "measurement period") in which the trading price per $1,000 principal amount of notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of our common stock and the conversion rate on each such trading day (3) if we call all or any portion of the notes for redemption, at any time prior to 5:00 p.m., New York City time, on the second scheduled trading day immediately preceding the related redemption date or (4) upon the occurrence of specified distributions to holders of our common stock or the occurrence of specified corporate events. On or after November 15, 2023, holders may convert their notes at their option at any time prior to 5:00 p.m., New York City time, on the second scheduled trading day immediately preceding the stated maturity date, regardless of the foregoing conditions. Upon conversion, we will pay or deliver, as the case may be, cash, shares of our common stock or a combination of cash and shares of our common stock, at our election, as described in this prospectus supplement.

The conversion rate will initially be shares of common stock per $1,000 principal amount of notes (equivalent to an initial conversion price of approximately $ per share of common stock). The conversion rate will be subject to adjustment in certain events but will not be adjusted for any accrued and unpaid interest. In addition, following certain corporate events that occur prior to the stated maturity date, we will increase the conversion rate for a holder who elects to convert its notes in connection with such a corporate event in certain circumstances.

We may not redeem the notes prior to May 15, 2019. On or after May 15, 2019, we may redeem for cash all or any portion of the notes, at our option, but only if the last reported sale price of our common stock for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading-day period ending on, and including, the second trading day immediately preceding the date on which we provide notice of redemption, exceeds $30.00 (subject to adjustment as described in this prospectus supplement) on each applicable trading day. The redemption price will equal 100% of the principal amount of the notes to be redeemed, *plus* accrued and unpaid interest, if any, to, but excluding, the redemption date. No sinking fund is provided for the notes.

If we undergo a fundamental change (as defined herein), holders may require us to repurchase for cash all or part of their notes at a repurchase price equal to 100% of the principal amount of the notes to be repurchased, *plus* accrued and unpaid interest, if any, to, but excluding, the fundamental change repurchase date.

The notes will be our senior unsecured obligations and will rank senior in right of payment to any of our future indebtedness that is expressly subordinated in right of payment to the notes, equal in right of payment to any of our existing or future unsecured indebtedness that is not so subordinated, including our 2.625% Convertible Senior Notes due 2019 (the "2.625% Senior Notes"), effectively junior in right of payment to any of our future secured indebtedness to the extent of the value of the assets securing such indebtedness and structurally junior to all existing and future indebtedness (including trade payables) incurred by our subsidiaries.

We do not intend to apply to list the notes on any securities exchange or any automated dealer quotation system. Our common stock is listed on The New York Stock Exchange under the symbol "CIE." The last reported sale price of our common stock on The New York Stock Exchange on May 6, 2014 was $18.94 per share.

Investing in the notes involves a high degree of risk. See "Risk Factors" beginning on page S-10 of this prospectus supplement.

	Per Note	Total
Public offering price(1)	$	$
Underwriting discounts	$	$
Proceeds, before expenses, to us(1)	$	$

(1) Plus accrued interest, if any, from May , 2014 if settlement occurs after that date.

We have granted the underwriters the right to purchase, for a period beginning on the date of this prospectus supplement and ending on the date that is 12 days after the original issue date, up to an additional $150,000,000 aggregate principal amount of notes, solely to cover over-allotments.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the notes or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the notes to investors in book-entry form through The Depository Trust Company on or about May , 2014.

Joint Book-Running Managers

Goldman, Sachs & Co. **RBC Capital Markets**

The date of this prospectus supplement is May , 2014

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SUMMARY

This summary highlights selected information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus, or incorporated by reference in this prospectus supplement or the accompanying prospectus. As a result, this summary does not contain all of the information that may be important to you or that you should consider before investing in the notes. You should read carefully this entire prospectus supplement, the accompanying prospectus and any related free writing prospectus, "Item 1A. Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2013, and the other documents incorporated by reference into this prospectus supplement and the accompanying prospectus, which are described under "Where You Can Find More Information and Incorporation of Information by Reference" in this prospectus supplement and in the accompanying prospectus.

Cobalt International Energy, Inc.

Overview

We are an independent exploration and production company with operations in the deepwater U.S. Gulf of Mexico and offshore Angol and Gabon in West Africa. Since our founding in 2005, our oil-focused, below-salt exploration efforts have been successful in each of our three operating areas, resulting in nine discoveries out of the fourteen exploration prospects drilled. These nine discoveries consist of North Platte, Heidelberg and Shenandoah in the U.S. Gulf of Mexico; Cameia, Lontra, Mavinga, Bicuar and Orca offshore Angola; and Diaman offshore Gabon. In addition, we have an interest in a 10^{th} discovery as we are currently participating in a partner-operated appraisal well on the Yucatan discovery in the U.S. Gulf of Mexico. As of December 31, 2013, we had 7.9 million barrels of oil and 3.4 billion cubic feet of gas of net proved undeveloped reserves, all of which is attributed to the Heidelberg field.

With these discoveries, our primary focus areas are:

1. *Project Appraisal and Development* — to progress our discoveries, which are currently in various stages of appraisal and development, toward project sanction and into proved reserves, production and cash flow;

2. *Continued Exploration* — to simultaneously maintain a robust exploration program on our current acreage; and

3. *New Ventures* — to seek the renewal of our worldwide exploration portfolio in locations applicable to our deepwater and below-salt exploration strength.

Our principal executive offices are located at Cobalt Center, 920 Memorial City Way, Suite 100, Houston, Texas 77024, and our telephone number is (713) 579-9100. We maintain a website at *www.cobaltintl.com* where general information about us is available. We are not incorporating the contents of the website into this prospectus supplement or the accompanying prospectus.

EXHIBIT 55

Cobalt
International Energy

Lynne L. Hackedorn
VP, Government and Public Affairs

Via E-mail

May 14, 2014

Mr. Barnaby Pace
Oil Campaign
Global Witness
bpace@globalwitness.org

RE: Inquiry dated April 14, 2014

Dear Mr. Pace:

Thank you for your April 14, 2014 letter to Cobalt requesting certain information regarding Cobalt's social contributions related to Block 20 offshore Angola and, specifically, the Sonangol Research and Technology Center. We value the input and opinions of NGOs such as Global Witness, and we take very seriously the points that you have raised regarding the funding of social contributions for the betterment of the country of Angola and its citizens. In response to your letter, we offer the following points of clarification:

First, you inquire in your April 14 letter whether the total amount of payments for social contributions made by the Block 20 consortium to Angola's national oil company, Sonangol E.P. ("Sonangol"), increased from $550 million to $607.5 million. To be clear, the total funding obligation has not changed. Cobalt has disclosed since its 2011 Form 10-K, which was Cobalt's first Annual Report following the execution of the Production Sharing Contract for Block 20 ("PSC"), the Block 20 consortium's aggregate funding obligation of $607.5 million. *See* 2011 10-K Annual Report, p. 21. In addition to contributions for social projects and the Research and Technology Center, that figure includes the amounts required for the signature bonus and scholarship funding related to Block 20. Cobalt's pro rata share of these costs is 57.14%. Cobalt's 2012 and 2013 Form 10-Ks contain the same reference and thus make clear that neither the aggregate amount of the Block 20 obligation nor Cobalt's pro rata share has increased.[1]

Second, with respect to the amount and manner of funding for the Research and Technology Center, in accordance with the PSC, the Block 20 consortium has to date made aggregate payments in the amount of $175,000,000. The Block 20 consortium is further required to contribute $75,000,000 on January 1, 2015 and $100,000,000 on January 1, 2016. Cobalt makes payment of

[1] Cobalt's public filings also disclose the social obligations incurred in connection with Blocks 9 and 21 offshore Angola.

its pro rata share directly to Sonangol, consistent with its contractual obligations under the PSC and Angola's Petroleum Activities Law.

Finally, as to your remaining questions, Cobalt maintains a robust anti-corruption compliance program, led by two experienced and well-respected U.S.-based law firms, and it is committed to complying with all applicable laws and its Code of Business Conduct and Ethics. As part of our compliance efforts, we monitor the progress of our social contributions in Angola, including the Research and Technology Center. However, as the Research and Technology Center is Sonangol's project, these inquiries are more appropriately directed to Sonangol.

Thank you for the opportunity to provide the above comments and clarification.

Best regards,

Lynne L. Hackedorn

Lynne L. Hackedorn
Vice President, Government and Public Affairs

EXHIBIT 56

Press Release / Aug. 4, 2014

BP AND PARTNERS' US$350 MILLION PAYMENTS IN CORRUPTION-PRONE ANGOLA SHOW NEED FOR U.S. TRANSPARENCY RULE

Tweet(https://twitter.com/intent/tweet?text=https://www.globalwitness.org/archive/bp-and-partners-us350-million-payments-corruption-prone-angola-show-need-us-transparency/)

Share(https://www.facebook.com/dialog/share?app_id=1573433759567938&display=popup&href=https://www.globalwit-and-partners-us350-million-payments-corruption-prone-angola-show-need-us-transparency/)

As African leaders meet Barack Obama, campaigners ask where has the money gone?

As Heads of African governments gather in Washington D.C. for the U.S.-Africa Leaders' Summit tomorrow, there is a crucial issue that must get attention: where does the money from natural resource deals go – including US$350 million being paid by U.S.-listed companies for a mysterious research center in Angola?

In 2012, Africa's oil and mineral exports were worth US$305 billion – almost seven times the value of international aid to the continent that year. [1] This wealth will contribute to development and poverty alleviation in Africa – if it is managed effectively and transparently.

But, while progress has been made on improving transparency in the global oil and mining industries, there are still serious blocks to this happening both in the U.S. and in resource-rich African countries like Angola.

"In the U.S. BP and a handful of other big oil companies are lobbying to weaken transparency rules that would enable citizens to effectively 'follow the money' from natural resource deals in African countries. Meanwhile many resource-rich countries including Angola are still failing to adequately disclose where billions of dollars are going from oil revenues paid by these companies," said Simon Taylor, director of Global Witness.

As President Obama and the Vice President of Angola Manuel Vicente meet, Global Witness is raising urgent questions about where US$350 million being paid by BP and its partner companies for a project in corruption-prone Angola is ending up.

BP and its partners including Houston-based Cobalt have contributed US$175 million over the past two-and-a-half years to fund a project in Angola known as the Sonangol Research and Technology Center (SRTC), with another US$175 million due to be paid by January 2016. [2]

Global Witness asked BP and Cobalt to provide any information that confirms the SRTC exists. The companies did not provide this information in their responses.

BP stated that Sonangol, Angola's state-owned oil company, "has informed BP that the SRTC is still in planning stage." Cobalt said they "monitor the progress of our social contributions in Angola, including the Research and Technology Center" but did not provide any further information about the project. [3]

Global Witness asked Sonangol for information to confirm the existence of the SRTC, but the company did not respond. We commissioned interviews with well-placed industry insiders, but none of them could confirm that the SRTC exists. [4] Global Witness is calling on the Angolan authorities to disclose where this money has gone.

International oil companies are contractually obliged to make these types of payments to Sonangol, [5] which has a history of corruption allegations. [6] The lack of information to confirm that the SRTC exists raises serious concerns that the money may have been misappropriated, potentially corruptly.

close

Rules being developed by the U.S. Securities and Exchange Commission should provide citizens and anti-corruption agencies with detailed information about these types of payments, enabling them to hold governments and companies to account for how natural resource revenues are used.

Yet the American Petroleum Institute, which represents the interests of some oil companies including BP, is lobbying to weaken the U.S. rules and keep payments hidden from public view in Angola and other countries. [7] In contrast to some of its oil industry competitors, Norway's Statoil has publicly endorsed the creation of a strong global transparency standard that matches a new EU law, which requires resource firms to publish their payments to governments on a project-by-project basis in all countries with no exceptions. [8]

Ends

Contacts:

Washington DC: Simon Taylor +44 7957 142 121 / staylor@globalwitness.org (mailto:staylor@globalwitness.org)

London Dominic Eagleton +44 7738 713 016 / deagleton@globalwitness.org (mailto:deagleton@globalwitness.org)

Notes:

1) OECD (2013) 'Aid (ODA) Disbursements to Countries and Regions(http://stats.oecd.org/Index.aspx?datasetcode=TABLE2A) [DAC2a]' OECD.StatExtracts; and World Trade Organization (2013) 'World Network of Merchandise and Trade by Product and Region (http://www.wto.org/english/res_e/statis_e/its2013_e/its13_appendix_e.htm), 2010-2012'. Table A12, International Trade Statistics 2013.

2) The production sharing contract(https://www.sec.gov/Archives/edgar/data/1471261/000104746912001183/a2207234zex-10_20.htm) for oil Block 20 in Angola, signed in December 2011, shows that the block partners BP, Cobalt and China Sonangal agreed to pay US$350 million to the Sonangol Research and Technology Center (SRTC) in annual instalments over a period of four years up to December 2015. Initially, Cobalt's share of the US$350 million was 57.14%, BP's 28.57%, and China Sonangol's 14.29%. Subsequent to signing the contract, China Sonangol exited the block and assigned its working interest to BP. Cobalt's letter (http://www.globalwitness.org/sites/default/files/letters/cobaltlettertogw14may14.pdf) to Global Witness confirms that as of May 2014, the Block 20 consortium had paid US$175 million to the research center, and that another US$175 million is to be paid by January 2016.

The U.S. Securities and Exchange Commission (SEC) requires reporting companies to disclose a contract if their business operations are materially dependent upon it. Cobalt, which reports to the SEC, disclosed the Block 20 contract and within that the payments to the SRTC, only because it is a relatively small company that is executing a large contract and is therefore materially dependent upon that contract. Larger oil companies' business operations are not usually dependent upon a single contract, and therefore these firms' contracts are not usually disclosed.

3) See letters to Global Witness from BP(http://www.globalwitness.org/sites/default/files/letters/bplettertogw28april14.pdf) (28th April 2014), and Cobalt(http://www.globalwitness.org/sites/default/files/letters/cobaltlettertogw14may14.pdf) (14th May 2014). In addition, Global Witness asked the Norwegian oil company Statoil, which operates in Angola and makes payments to fund the SRTC, if it could provide information to confirm the SRTC exists. Statoil did not provide any such information in its response (http://www.globalwitness.org/sites/default/files/letters/statoillettertogw30april14.pdf), and stated that "Questions regarding the management of Sonangol's funds and the Angolan single treasury account should be addressed to Sonangol and the Angolan government." Global Witness sent a further letter to BP and Cobalt on 25th July requesting information to confirm the SRTC exists, but the companies had not responded by the time this press release was published.

4) The interviews with industry experts took place in April, May and July 2014. Among those interviewed there was some awareness of an academy opening in Sumbe, a town in west central Angola, but none of those who were familiar with the academy thought that this was the SRTC. The academy, they say, is part of the National Petroleum Institute. Others commented that if BP were involved in the Sumbe academy they would have publicised this information. In its letter to Global Witness, BP does not link the SRTC to this academy.

5) The total amounts that oil companies in Angola are paying to finance obscure projects such as the SRTC are known to be substantially higher than the sums being paid in this instance by BP and Cobalt. The 2004 Petroleum Activities Law requires a proportion of signature bonus payments to be earmarked for social development projects. Angola's oil contracts also require companies to fund social projects. The amounts payable and what the money is spent on is largely undisclosed by Sonangol, which manages these funds. In 2008 Sonangol reported the value of payments for social projects to be US$39 million in 2008, but Global Witness research did not identify any further disclosures by Sonangol of social payments. Global Witness is calling for the pending U.S. SEC rule that implements Section 1504 of the Dodd-Frank Act to require covered companies to disclose these types of payments. See: Amundsen, I & Wiig, A (2008) 'Social funds in Angola(http://www.cmi.no/publications/publication/?3196=social-funds-in-angola-channels): channels, amounts and impact', CMI Working Paper 2008:8; Open Society Initiative for Southern Africa (2012) 'Angola's oil industry operations(http://www.osisa.org/sites/default/files/angola_oil_english_final_less_photos.pdf)', Johannesburg: Open Society Initiative for Southern Africa; and Open Society Initiative for Southern Africa–Angola & Global Witness (2011) 'Oil revenues in Angola(http://www.globalwitness.org/sites/default/files/library/oil%20revenues%20in%20angola_1.pdf): much more information but not enough transparency', London: Global Witness.

6) On 4th February 2010 the U.S. Senate's Permanent Subcommittee on Investigations released a 330-page report (http://www.hsgac.senate.gov/subcommittees/investigations/hearings/-keeping-foreign-corruption-out-of-the-united-states-four-case-histories) detailing suspected cases of corruption and money laundering by government officials and their associates in oil-rich African states including Angola. The report underscored how oil revenue has fuelled corruption and mismanagement in Angola and the need for much greater government transparency and accountability. Additional cases include Weatherford International, which is listed on the New York Stock Exchange. The company pleaded guilty (http://blogs.wsj.com/riskandcompliance/2013/11/26/weatherford-pays-253-million-to-settle-fcpa-sanctions-probes/) to violations of the U.S. Foreign Corrupt Practices Act (FCPA), including bribery of the executives of Sonangol. Weatherford agreed to pay fines of $253 million(http://blogs.wsj.com/riskandcompliance/2013/11/26/weatherford-pays-253-million-to-settle-fcpa-sanctions-probes/) to settle the case – one of the largest(http://www.debevoise.com/files/publication/5ca9c612-4b1b-42bb-9370-96c6e3ab0a0f/presentation/publicationattachment/23d1197a-1ee8-4821-84c1-a666c6dd68c1/fcpa_update_dec2013.pdf) settlements under the FCPA. SBM Offshore, a Dutch oil services company disclosed in 2014 that its internal investigation found evidence that its agents made payments to Angolan officials(http://www.sbmoffshore.com/?press-release=sbm-offshore-findings-internal-investigation) and/or their relatives.

7) BP is a member of the American Petroleum Institute (API), an oil industry lobby group. BP took part in three meetings with SEC officials as part of an API delegation on 15th January(http://www.sec.gov/comments/df-title-xv/resource-extraction-issuers/resourceextractionissuers-23.pdf), 23rd January(http://www.sec.gov/comments/df-title-xv/resource-extraction-issuers/resourceextractionissuers-23.pdf) and 16th April(http://www.sec.gov/comments/df-title-xv/resource-extraction-issuers/resourceextractionissuers-27.pdf) 2014 to discuss the implementing rule for Section 1504 of the U.S. Dodd-Frank Act, which requires extractive companies to disclose payments to governments on a project-by-project basis. The API filed a lawsuit in October 2012 to overturn the Section 1504 rule. BP refused to dissociate (http://publishwhatyoupay.org/sites/publishwhatyoupay.org/files/bp%20response%2017may13%20(2).pdf) from the API lawsuit when asked to by civil society organisations. After convincing a judge to suspend the original Section 1504 implementing rule, the API is now calling for the SEC to re-issue a weak rule(http://www.sec.gov/comments/df-title-xv/resource-extraction-issuers/resourceextractionissuers-12.pdf) for the law that would aggregate payment data; keep companies' identities hidden from public view; and include an exemption from reporting in countries where companies claim disclosing payments may breach domestic law. Angola has been cited by industry(http://www.sec.gov/comments/s7-42-10/s74210-73.pdf) as one such country. BP has been critical of the SEC's original rule(http://publishwhatyoupay.org/sites/publishwhatyoupay.org/files/bp%20response%2017may13%20(2).pdf) for Section 1504, supporting the API's position that the rule failed to account for companies' concern that it would harm their competitiveness. BP is also supportive of the API's proposal to include exemptions from reporting in countries

where companies claim disclosing payments may breach domestic law (see BP's submission (https://www.gov.uk/government/consultations/extractives-industries-reporting-implementing-the-eu-accounting-directive) to the UK Government, Question 6.3).

8) See page 19 of Statoil's 2013 Sustainability Report (http://www.statoil.com/no/investorcentre/annualreport/annualreport2013/documents/downloadcentrefiles/01_keydownloads/susta

Tweet(https://twitter.com/intent/tweet?text=https://www.globalwitness.org/archive/bp-and-partners-us350-million-payments-corruption-prone-angola-show-need-us-transparency/)

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EXHIBIT 57

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): **August 5, 2014**

Cobalt International Energy, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**001-34579**	**27-0821169**
(State or other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

Cobalt Center **920 Memorial City Way, Suite 100** **Houston, Texas**	**77024**
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code: **(713) 579-9100**

N/A
(Former name or former address if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition.

On August 5, 2014, Cobalt International Energy, Inc. (the "Company") reported second quarter 2014 financial results. A conference call to discuss these results is scheduled for 10:00 a.m. Central time on August 5, 2014. The conference call can be accessed live over the telephone by dialing (877) 705-6003, or for international callers, (201) 493-6725. A replay will be available shortly after the call and can be accessed by dialing (877) 870-5176, or for international callers, (858) 384-5517. The passcode for the replay is 13586892. The replay will be available until August 19, 2014.

For additional information regarding the Company's second quarter 2014 financial results, please refer to the Company's press release attached to this report as Exhibit 99.1 (the "Press Release"), which Press Release is incorporated by reference herein.

The information in the Press Release is being furnished, not filed, pursuant to Item 2.02. Accordingly, the information in the Press Release will not be incorporated by reference into any registration statement filed by the Company under the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated therein by reference.

Item 8.01. Other Events.

As previously disclosed, the Company is currently subject to a formal order of investigation issued in 2011 by the U.S. Securities and Exchange Commission (the "SEC") related to its operations in Angola. See the discussion under the caption "Risk Factors—We may be exposed to liabilities under the U.S. Foreign Corrupt Practices Act, and any determination that we violated the U.S. Foreign Corrupt Practices Act could have a material adverse effect on our business" in the Company's Annual Report on Form 10-K for the year ended December 31, 2013 for more information.

In connection with such investigation, on the evening of August 4, 2014, the Company received a "Wells Notice" from the Staff of the SEC stating that the Staff has made a preliminary determination to recommend that the SEC institute an enforcement action against the Company, alleging violations of certain federal securities laws. In connection with the contemplated action, the Staff may recommend that the SEC seek remedies that could include an injunction, a cease-and-desist order, disgorgement, pre-judgment interest and civil money penalties. The Wells Notice is neither a formal allegation nor a finding of wrongdoing. It allows the Company the opportunity to provide its reasons of law, policy or fact as to why the proposed enforcement action should not be filed and to address the issues raised by the Staff before any decision is made by the SEC on whether to authorize the commencement of an enforcement proceeding. The Company intends to respond to the Wells Notice in the form of a "Wells Submission" in due course.

The Company has fully cooperated with the SEC in this matter and intends to continue to do so. The Company has conducted an extensive investigation into these allegations and the receipt of the Wells Notice does not change the Company's belief that its activities in Angola have complied with all laws, including the U.S. Foreign Corrupt Practices Act. The Company is unable to predict the outcome of the SEC's investigation or any action that the SEC may decide to pursue.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
99.1	Press Release dated August 5, 2014

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: August 5, 2014

Cobalt International Energy, Inc.

By:	/s/ Jeffrey A. Starzec
Name:	Jeffrey A. Starzec
Title:	Senior Vice President and General Counsel

EXHIBIT LISTING

Exhibit No.	Description
99.1	Press Release dated August 5, 2014

Exhibit 99.1

NEWS RELEASE

Cobalt International Energy, Inc. Announces Second Quarter 2014 Results and Provides Operational Update

HOUSTON, TX — August 5, 2014 (BUSINESS WIRE) — Cobalt International Energy, Inc. ("Cobalt") (NYSE:CIE) today announced a net loss of $95 million, or $0.23 per basic and diluted share for the second quarter of 2014, compared to a net loss of $79 million, or $0.19 per basic and diluted share, for the second quarter of 2013. The net loss for the second quarter of 2014 includes $42 million of impairment charges associated primarily with wells drilled in the U.S. Gulf of Mexico, $12 million for seismic and exploration expenses and $22 million for general and administrative expenses. Capital and operating expenditures (excluding changes in working capital) for the quarter ending June 30, 2014 were approximately $193 million. Cash, cash equivalents, and investments at the end of the second quarter were approximately $2.6 billion. This includes about $150 million designated for future operations held in escrow and collateralizing letters of credit, but excludes approximately $76 million in the TOTAL drilling fund for the Gulf of Mexico.

Operational Update

Cobalt also announced that it is finalizing operations on its successful Cameia #3 appraisal well and will move the Petroserv SSV Catarina rig to drill the Loengo #1 Pre-salt exploration well on Block 9. Cobalt, as operator, owns a 40% working interest in Block 9.

In addition, Cobalt announced that it is moving forward on the Cobalt operated Cameia project development, targeting the formal sanction of the Cameia project by the end of 2014 and first production from the development in 2017.

Cobalt also announced that it is participating as non-operator in the first Heidelberg field development well currently being drilled in the deepwater Gulf of Mexico. First production from Heidelberg remains on schedule for 2016. Cobalt owns a 9.375% non-operated working interest in Heidelberg.

Also in the Gulf of Mexico, the second appraisal well on Cobalt's Shenandoah discovery was spud in late May. The well is located on Walker Ridge Block 52. Cobalt owns a 20% non-operated working interest in Shenandoah. Due to mechanical difficulty, the Anchor #1 well has been junked and abandoned prior to reaching its geologic objectives. Results from the replacement Anchor well are now anticipated in early 2015. Cobalt owns a 20% non-operated interest in the Anchor prospect. The first appraisal well at the Yucatan prospect is close to completion. Cobalt owns a 5.34% non-operated interest in the Yucatan prospect.

Conference Call

A conference call for investors will be held today at 10 a.m. Central Time (11 a.m. Eastern Time) to discuss Cobalt's Second Quarter 2014 results. Hosting the call will be Joseph H. Bryant, Chairman and Chief Executive Officer, and John P. Wilkirson, Chief Financial Officer.

The call can be accessed live over the telephone by dialing (877) 705-6003, or for international callers, (201) 493-6725. A replay will be available shortly after the call and can be accessed by dialing (877) 870-5176, or for international callers, (858) 384-5517. The passcode for the replay is 13586892. The replay will be available until August 19, 2014.

Interested parties may also listen to a simultaneous webcast of the conference call by accessing the Newsroom-Events & Speeches section of Cobalt's website at www.cobaltintl.com. A replay of the webcast will also be available for approximately 30 days following the call.

For more information about these announcements, see Cobalt's May 2014 Operational Update, which can be found on Cobalt's website at www.cobaltintl.com in the Investor Center-Publications & Presentations section.

About Cobalt

Cobalt is an independent exploration and production company active in the deepwater U.S. Gulf of Mexico and offshore Angola and Gabon. Cobalt was formed in 2005 and is headquartered in Houston, Texas.

Forward-Looking Statements

This press release includes "forward-looking statements" within the meaning of the safe harbor provisions of the Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 — that is, statements related to future, not past, events. Forward-looking statements are based on current expectations and include any statement that does not directly relate to a current or historical fact. In this context, forward-looking statements often address Cobalt's expected future business and financial performance, and often contain words such as "anticipate," "believe," "intend," "expect," "plan," "will" or other similar words. These forward-looking statements involve certain risks and uncertainties that ultimately may not prove to be accurate. Actual results and future events could differ materially from those anticipated in such

statements. For further discussion of risks and uncertainties, individuals should refer to Cobalt's SEC filings. Cobalt undertakes no obligation and does not intend to update these forward-looking statements to reflect events or circumstances occurring after this press release, other than as required by law. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. All forward-looking statements are qualified in their entirety by this cautionary statement.

Contacts

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Consolidated Statement of Operations Information:

	For Three Months Ended June 30,		For Six Months Ended June 30,	
	2014	2013	2014	2013
	($ in thousands except per share data)			
Oil and gas revenue	$ —	$ —	$ —	$ —
Operating costs and expenses				
Seismic and exploration	11,983	4,557	20,958	26,875
Dry hole expense and impairment	42,440	35,709	55,481	103,877
General and administrative	22,093	24,652	46,262	46,159
Depreciation and amortization	1,075	447	2,182	906
Total operating costs and expenses	77,591	65,365	124,883	177,817
Operating income (loss)	(77,591)	(65,365)	(124,883)	(177,817)
Other income (expense)				
Gain on sale of assets	—	1,496	—	2,993
Interest income	1,435	1,619	2,379	3,144
Interest expense	(18,600)	(16,568)	(29,167)	(35,225)
Total other income (expense)	(17,165)	(13,453)	(26,788)	(29,088)
Net income (loss) before income tax	(94,756)	(78,818)	(151,671)	(206,905)
Income tax expense	—	—	—	—
Net income (loss)	$ (94,756)	$ (78,818)	$ (151,671)	$ (206,905)
Basic and diluted income (loss) per share	$ (0.23)	$ (0.19)	$ (0.37)	$ (0.51)
Weighted average common shares outstanding	407,088,848	406,916,569	407,039,193	406,733,954

Consolidated Balance Sheet Information:

	June 30, 2014	December 31, 2013
	($ in thousands)	
Cash and cash equivalents	$ 237,685	$ 192,460
Short-term restricted funds	—	200,339
Short-term investments	1,474,767	1,319,380
Total current assets	1,886,485	1,967,443
Total property, plant and equipment	1,757,646	1,476,275
Long-term restricted funds	149,971	104,496
Long-term investments	783,960	14,661
Total assets	4,684,891	3,633,673
Total current liabilities	255,715	340,967
Total long-term liabilities	1,972,245	1,163,560
Total stockholders' equity (407,095,514 and 406,949,839 shares issued and outstanding as of June 30, 2014 and December 31, 2013, respectively)	2,456,931	2,129,146
Total liabilities and stockholders' equity	4,684,891	3,633,673

Consolidated Statement of Cash Flows Information:

	Six Months Ended June 30,	
	2014	2013
	($ in thousands)	
Net cash provided by (used in):		

Operating activities	$ (42,677)	$ (233,124)
Investing activities	(1,181,278)	(900,248)
Financing activities	1,269,180	(1,095)